

STATE OF CALIFORNIA
MEETING OF THE
CALIFORNIA INSPECTION & MAINTENANCE REVIEW
COMMITTEE

Tuesday, March 28, 2006
California Air Resources Board
1001 I Street, Coastal Hearing Room, Second Floor
Sacramento, California

1 **MEMBERS PRESENT:**

2 VICTOR WEISSER, Chairman

3 JEFFREY WILLIAMS

4 DENNIS DECOTA

5 ROBERT PEARMAN

6 GIDEON KRACOV

7 ROGER NICKEY

8 BRUCE HOTCHKISS

9
10 **MEMBERS ABSENT:**

11 CHUCK FRYXELL

12 TYRONE BUCKLEY

13 PAUL ARNEY

14 JOHN HISSERICH

15 JUDE LAMARE

16
17 **ALSO PRESENT:**

18 ROCKY CARLISLE, Executive Officer

19 JANET BAKER, Executive Assistant

20 STEVE GOULD, IMRC Consultant

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P R O C E E D I N G S

CHAIR WEISSER: Okay, ladies and gentlemen, if we could take our seats, the recording machine is on. I'm Vic Weisser, I'm the Chair of the Inspection and Maintenance Review Committee and I want to welcome you to our March 28, 2006, session. I would like to ask folks in the audience as well as the IMRC Members, who I'll ask to introduce themselves in a moment to put their cell phones on stun and I will ask Members to introduce themselves after I indicate that the following Members are absent, with good cause, from today's meeting, and that's Tyrone Buckley, Chuck Fryxell, Jude Lamare, Paul Arney, and John Hisserich. The rest of us are here, and we do constitute a quorum, so we can conduct business as normal. So let's start introducing ourselves from the far left on down.

MEMBER NICKEY: From the far left is Roger Nickey.

MEMBER KRACOV: Gideon Kracov, public member.

MEMBER WILLIAMS: Jeffrey Williams.

CHAIR WEISSER: I'm Vic Weisser, as indicated.

MEMBER DECOTA: Dennis DeCota.

MEMBER PEARMAN: Bob Pearman.

MEMBER HOTCHKISS: Bruce Hotchkiss.

CHAIR WEISSER: And ladies and gentlemen, I do want to make a special announcement and that announcement concerns the fact that Mr. DeCota will, from this date forward, never sit next

1 to me up at this podium. We had a slight incident that's
2 resulted in a wardrobe malfunction.

3 MEMBER DECOTA: We'll just call it damp.

4 CHAIR WEISSER: Yes, I deposited a cup of the cafeteria's finest
5 coffees onto Dennis' lap, so let that be a warning to one
6 and all. Our agenda today is going to be modified one item
7 and that is the presentation from the Automobile
8 Manufacturers on onboard diagnostics. It has to be
9 postponed. We will likely take it up at the next meeting,
10 but the folks that were going to give the presentation
11 couldn't make it, so we'll address that portion of the
12 agenda probably in the April meeting.

13 - o0o -

14 CHAIR WEISSER: And with that, I think we'll move to the first
15 order of business, which is the approval of the minutes from
16 our last meeting, which the February 28th meeting. I hope
17 all the Members have had a chance to review the minutes and
18 let me see if there are any corrections that need to be
19 offered. Anyone have any corrections? Is there a motion to
20 adopt the minutes? And Mr. Williams moves the minutes be
21 adopted, Mr. Pearman seconds the motion. Is there any
22 discussion? All in favor, please signify by saying aye.

23 ALL MEMBERS: Aye.

24 CHAIR WEISSER: Are there any opposed? Hearing none, the
25 minutes are adopted.

1 - o0o -

2 CHAIR WEISSER: We'll now turn to the first portion of a two-
3 stage Executive Officer Report today, and we'll ask Mr.
4 Carlisle to update us on activities and legislative items.
5 Rocky?

6 MR. CARLISLE: Thank you, Mr. Chairman, Members of the
7 Committee. Under Tab 2, there is a letter addressed to
8 Senator Horton and that pretty much says it all. We're
9 going to come back to that, but I will tell you that
10 majority of these last several weeks have been spent on
11 researching information and drafting this copy, then working
12 with Jude and the Chairman to finalize this draft. Other
13 than that, I've been working on the draft report for the
14 next Legislative report that's under Section 5 in your
15 booklet. And I've also met with the Bureau of Automotive
16 Repair and the Air Resources Board on this letter, I should
17 mention that. And I will be meeting with them again prior
18 to this going to Assemblywoman Horton. Other than that,
19 that's the extent of my activities for this month. Like I
20 say, this has consumed an enormous amount of time.

21 CHAIR WEISSER: Well, I can understand why developing the
22 response to the Horton letter has taken a lot of time,
23 Rocky. It's a letter that asks questions that when you
24 answer them you get more questions and we need to make sure
25 that our response is as accurate as it can be and as helpful

1 as it can be. I can say that I've spend an inordinate
2 amount of time over the last several weeks also, including
3 an unfortunately good part of my weekend. But I think we
4 have something to talk about with the Committee Members and
5 get their additional input which we will then use to try to
6 finalize the response and send it on to Assemblywoman
7 Horton.

8 MR. CARLISLE: That's it.

9 - o0o -

10 CHAIR WEISSER: Rocky, any update on legislation?

11 MR. CARLISLE: Legislation, only a couple of things. First of
12 all, there's two new bills that we had talked about last
13 month. If we go back to AB226, there was no change in that.
14 That was the one that creates the automotive career and
15 technical education account from BAR. The labor bill,
16 AB386, that would move authority for Smog Check, there's
17 been so change on that. AB578 there's been no change on
18 that. It's my understanding that in part it's waiting on
19 our response for any additional discussion on that bill.
20 AB1870, that's the smoke bill that did pass through the
21 Assembly Transportation Committee on the 20th and it's now
22 onto the Appropriations Committee. AB1997, that's the pilot
23 bill that replaced AB184 from last year. This also passed
24 through Assembly Transportation and its on its way to
25 Appropriations. And that's the extent of the legislation.

1 There are a number I did pull off this recap because they
2 pretty much died.

3 CHAIR WEISSER: Rocky, let me go back for a second. On the
4 Technician Training Fund, do you know whether or not the
5 Bureau has taken a position? Has the Administration taken a
6 position on it?

7 MR. CARLISLE: I'm not aware of one, no.

8 CHAIR WEISSER: Perhaps when the BAR folks come up, they can let
9 us know what their perspectives are on that measure. And if
10 you're unable to, maybe you can just email Rocky and me
11 after the session, if that's okay. Rocky, I can't remember
12 the bill's number, but there was a bill introduced that
13 would have abolished the IMRC last December, I think.

14 MR. CARLISLE: Yes, that's a spot bill and I did receive an
15 email from the Senator's office saying that that was simply
16 a spot bill. It would go no further in its current form.
17 So I have no idea what it's going to morph into but at this
18 point, it is a spot bill. I should mention, too, that I
19 did, as per the Committee's request from last month, I sent
20 a letter of support to Assemblywoman Lieber with regard to
21 AB1870, and that's also in your binder under Tab 3, at the
22 end of the legislation. There were several points that the
23 Committee wanted to point out and I did include those in the
24 letter.

25 CHAIR WEISSER: Okay. Are there any questions? Mr. DeCota?

1 MEMBER DECOTA: On AB226 by Bermudez, are we studying that bill
2 for the possibility of giving a letter of recommendation, I
3 hope?

4 MR. CARLISLE: I will take that as a directive to do so, yes.

5 MEMBER DECOTA: Please, thank you.

6 CHAIR WEISSER: Could you explain the bill to us, Rocky, and
7 let's get a little discussion going.

8 MR. CARLISLE: Essentially, what that's going to do is create an
9 automotive career and technical education account that would
10 award grants to public secondary educational intuitions and
11 community colleges and it would just help fund vocational ed
12 opportunities. It would also come out of the BAR budget.
13 There would be a special fund set aside for that and I don't
14 have in front of me the exact amount, but as I recall, it
15 was several million dollars.

16 CHAIR WEISSER: Well, let me ask, since we're on this bill, has
17 the Bureau taken a position on the bill? Could someone from
18 the Bureau either nod their head up and down or sideways or
19 shrug their shoulders if they don't know? We don't know.
20 No official position. Not being able to take an official
21 position is the norm, frankly, throughout state government.
22 The bill position approval process in the last four or five
23 administrations that I've had the pleasure to work with is
24 very lengthy and it's very difficult and while the Bureau
25 could submit a position three months ago, not in this case,

1 of course, but it can still take a long time to go through
2 the layers, so it would be really helpful for us to know
3 when you do take a position. Do you know more about the
4 bill, Dennis?

5 MEMBER DECOTA: I know a little about the bill. The bill's, I
6 believe, intention is to create a fund that would - let's
7 say that evap was coming into being. It would allow the
8 community colleges to put together training programs to
9 educate trainers to train industry. It would be the type of
10 account that is desperately needed by the secondary, post-
11 secondary educational colleges, JCs and State colleges, in
12 order to take and afford the curriculums, the equipment, to
13 train and get their trainers up to speed on new programs
14 that may come into being. So that's a very, very layman
15 approach at what I understand the bill and the purposes of
16 the bill.

17 CHAIR WEISSER: Do you have any idea, Dennis, how much the bill
18 would -

19 MEMBER DECOTA: I have heard the number and I'm trying to think
20 of it. I'd misquote it, but it is a few million dollars a
21 year, I know that.

22 CHAIR WEISSER: I remember it.

23 MEMBER DECOTA: Right.

24 CHAIR WEISSER: Are there any comments from any other members of
25 the Committee? I'm going to suggest something. It seems to

1 me conceptually this is something we ought to support and
2 I'm going to make a motion that in fact the IMRC go on
3 record of supporting this bill and hope someone seconds that
4 motion, open it up for discussion, and then take some public
5 comments, because there may be people in the audience who
6 can help us understand.

7 MEMBER DECOTA: Second, Member DeCota.

8 CHAIR WEISSER: So, Mr. DeCota has seconded it. Is there any
9 discussion at this moment from people on the Committee? Is
10 there anyone from the audience that would care to help
11 illuminate the Committee on the bill? Any public comments?
12 Please. Bud, would you identify yourself?

13 MR. RICE: Good morning, Bud Rice with Quality Tune-Up Shops.
14 I'll tell you as someone who's in the industry, it's getting
15 tougher and tougher to find qualified technicians and any
16 approach that could help fill the pipeline with qualified
17 applicants would certainly be a great thing for you guys to
18 support. Thank you.

19 CHAIR WEISSER: Thank you, Bud. Is there anyone in the audience
20 with an opinion that differs from that? Just curiosity?
21 Nobody. We're all for education. Roger?

22 MEMBER NICKEY: Roger Nickey. Are these grants to colleges or
23 grants for students?

24 MR. CARLISLE: Grants to the colleges.

25 CHAIR WEISSER: Yes, it's grants to the colleges.

1 MR. CARLISLE: Public post-secondary.

2 MEMBER NICKEY: So it's for the colleges to improve their
3 curriculum, but it doesn't provide funding for people to
4 come and get training.

5 MEMBER DECOTA: Right, but what the industry is facing is a vast
6 shortage of qualified trainers and there's no funding in
7 order to get those folks into the system and trained and
8 that's, I believe, the reason behind this bill. But I
9 believe Marty Keller or Chris Walker may be here sometime
10 today and they can help define that better than I can.

11 CHAIR WEISSER: Well, on that remark, what I'm going to suggest
12 to the Committee that we just kind of hold this in abeyance
13 at this time and in case the bill sponsors, which I believe
14 are Chris Walker and Marty Keller -

15 MEMBER DECOTA: Yes.

16 CHAIR WEISSER: - arrive, they might be able to help illuminate
17 us. We can wait, of course, until next month to take a
18 position on it. It's just we're entering the height of the
19 legislative season and the blurb that I had read before
20 coming here and a letter I had received from one of the
21 bill's sponsors a couple of weeks ago made me think this is
22 truth, honesty, and justice in the American way of life and
23 we ought to be supporting it. Rocky, in the future, I think
24 it might be helpful for the Committee - I'm going to give
25 you more work - if you would bring to each meeting a book

1 that would include the latest version of the bill, all the
2 bills that we're following, and the most recent version of
3 any Committee, consultant analysis of the measures, so that
4 if we have questions, you can easily refer to those in the
5 future.

6 MR. CARLISLE: I'll do that.

7 CHAIR WEISSER: Okay, so for right now, we'll kind of table the
8 motion that's been made, see if Chris or Marty show up.
9 Make sure when we come back to your portion of the agenda
10 again, Rocky, that we recognize that we have a live motion
11 we need to deal with one way or another. Thank you. Are
12 there any other comments on legislation? Rocky, is there
13 anything further that - I'm sorry, Bud? Do you have coffee
14 I can knock over?

15 MR. RICE: It's already in me. Bud Rice, Quality Tune-Up Shop.
16 Quick comment, I was at the BAR Advisory Committee meeting
17 they had a little while ago and they were talking about
18 sending in a letter in opposition to 386 and my
19 understanding was that the Committee also received a copy of
20 that letter. And if so, I would think that you would have
21 modified your oppose and opposition in four in your chart.
22 Thank you.

23 CHAIR WEISSER: Thank you. Rocky, could you illuminate us?

24 MR. CARLISLE: I haven't received a copy of that letter if there
25 was an oppose letter, but I don't think that would - I could

1 be wrong, but I don't think that would change the
2 Committee's support of AB386.

3 CHAIR WEISSER: No.

4 MR. CARLISLE: I'll research that.

5 CHAIR WEISSER: Please. My understanding is the bill is not
6 going anywhere. Is that accurate?

7 MR. CARLISLE: Correct.

8 CHAIR WEISSER: Okay. Anything further? Anything further in
9 your overall activity report, Rocky?

10 MR. CARLISLE: No, sir.

11 CHAIR WEISSER: All right. Well, thank you very much.

12 MEMBER DECOTA: I'm sorry, I had one question. On the - no, I'm
13 out of order. Never mind. I'll bring it up later on. It
14 has to do with smoking vehicles.

15 CHAIR WEISSER: But not the bill?

16 MEMBER DECOTA: Well -

17 CHAIR WEISSER: Maybe you should bring it up now.

18 MEMBER DECOTA: All right. I understand that the bill was not
19 amended with recommendations that were made both by IRMC in
20 some form and also by industry. I feel that this bill has a
21 tremendous amount of merit, but it represents two percent of
22 the vehicles on the road. Why in the world wouldn't we
23 recommend to do what Nevada's done and either fix the car or
24 don't drive it. Why are we submitting and subjecting
25 industry to this type of situation when basically we're

1 talking about two percent of the cars, those that are just
2 fortunate, from a monetary standpoint, can be a modified
3 CAP, let's fix the cars or not allow them to operate on the
4 highways. It's simple. You either fix it or you park it.

5 MR. CARLISLE: Mr. Chairman, if I may. Suffice to say there's
6 amendments that are probably coming, but they aren't being
7 done at this point in time.

8 MEMBER DECOTA: But we are we doing to push those thoughts of -
9 well, you just heard my thought. That doesn't mean that's
10 the Committee's thought. But, if we were to take and say,
11 hey, here's an idea. How do we communicate that idea and
12 follow-up with it as far as we don't have a lobbyist, other
13 than you, Rocky, but how do we go about making sure that our
14 thoughts are communicated properly to the author?

15 CHAIR WEISSER: Well, we can do that through a variety of
16 mechanisms. We can unleash Rocky, of course, to work on the
17 issue with staff and Members. He can testify. Myself or
18 any Committee Member has the freedom and ability to present
19 information (bell ringing) - am I cut-off now from speaking?

20 MR. CARLISLE: Evidently.

21 CHAIR WEISSER: - to the legislature. But I prefer rather than
22 exploring how we might try to inform folks on the bill to
23 better inform ourselves through a discussion of the issue
24 you raised, Dennis. I'm not sure if there's understanding
25 or unanimity on whether the Committee believes it's

1 appropriate to have kind of a binary, either don't smoke and
2 you can ride or if you do smoke, you fix it. Otherwise, you
3 don't ride.

4 MEMBER DECOTA: The reason I address the bill, I was looking at
5 the Nevada bill, which is a 10-year-old bill, okay. And
6 it's very straight forward and it's very simple. You either
7 fix the car or you don't get it registered.

8 CHAIR WEISSER: Does Nevada have a similar requirement for other
9 aspects of Smog Check? In other words, if a car fails Smog
10 Check in Nevada and let's say repairs to that car would cost
11 \$2,000, is there no repair limit in Nevada?

12 MEMBER DECOTA: There's no repair limit and it does not address
13 it, to be honest with you.

14 CHAIR WEISSER: So, it's a fundamentally different approach than
15 California has taken. In California, the legislature, I
16 believe, because of concerns for lower-income motorists or
17 vehicle owners made a determination that it was okay to
18 allow those vehicles whose repairs exceeded a threshold to
19 avoid getting their cars repaired and at least drive them
20 for a couple of years, vehicles that failed. Now, I'm not
21 indicating that I agree or disagree with that fundamental
22 decision.

23 MEMBER DECOTA: But we know that particulate matter is an area
24 that we can attack to reduce emissions. We also know that
25 particulate matter is extremely harmful to the health of

1 asthmatics, young and old. We also know that it's two
2 percent of the vehicles, yet we're willing to subject a
3 whole industry to a subjective regulation, which can be
4 interpreted in many different ways that could create a
5 situation where again we have - it's like the waivers. We
6 waive some of the worst offending vehicles, because we have
7 this problem. I'd rather see us help him replace the car,
8 crush the car, fix the car, from a financial standpoint
9 through CAP, and get our act together since it's not that
10 many vehicles, and have a straight-forward program that
11 everybody understands. If your car is emitting at a high
12 rate and it's verified by a licensed Smog Check technician,
13 that car should be subject, if the people fall in a certain
14 criteria, for help. If not, they need to fix the car, they
15 need to replace the engine. Japan has had emission laws for
16 years that require replacement of every engine that has over
17 30,000 miles on it.

18 CHAIR WEISSER: The two percent figure that you cite, Dennis, is
19 two percent of vehicles are identified as smoking vehicles,
20 Rocky?

21 MR. CARLISLE: It's actually, it could be a little smaller than
22 that. It's about 200,000 a year.

23 CHAIR WEISSER: 200,000 out of - what's our vehicle population
24 now?

25 MR. CARLISLE: The vehicle population is 23 million.

1 CHAIR WEISSER: Okay, it's like one-tenth of one percent then.

2 MR. CARLISLE: It's a small fraction, but the particulate matter
3 is -

4 CHAIR WEISSER: There's no doubt about it, but I guess I'd make
5 the point that the other components of emissions, nitrous
6 oxides and hydrocarbons, are themselves also dangerous in
7 that they form - they are the chemicals that help form the
8 most damaging aspects of smog. I have a hard time
9 distinguishing between the particulate matter and the other
10 smog-forming chemicals. Now, where you and I might agree,
11 Dennis, is this notion of fix it or park it. But I guess my
12 hesitancy is I'm not sure that it makes sense to apply that
13 to a very narrow portion of the Smog Check program. I'm
14 more comfortable with the approach Nevada has taken by
15 saying, fix your car, and if you can't, park it. And if you
16 can't afford to fix it, we're either going to give you
17 consumer assistance to help you fix it or as South Coast is
18 putting forward, giving you some money to help you pay for a
19 car, a newer car that's less emitting. So I don't know how
20 you pick off smoking vehicles as the one that you say fix it
21 or park it. It's too easy, because you can see it, doesn't
22 make it necessary right. We'll go to public comments in a
23 moment, Charlie. So, other comments? Bruce?

24 MEMBER HOTCHKISS: Well, I kind of like the idea of fix it or
25 park it for everything. I think there's still a way to

1 mitigate that for lower-income people. We've discussed it a
2 long time ago, you have the \$1,000 for crushing the car, the
3 option of getting people into newer vehicles, there's all
4 kinds of options out there, other than fixing the junk and I
5 think that perhaps we ought to look at that and maybe
6 encourage the legislature to look at that.

7 CHAIR WEISSER: Mr. Pearman? Mr. Nickey?

8 MEMBER NICKEY: The 22 million vehicles in California, is that
9 it (tape ends) in Nevada.

10 MR. CARLISLE: I don't have the vehicle population. Much
11 smaller, obviously.

12 MEMBER NICKEY: I'm sure and then how do you tell somebody we're
13 taking your car away from you and now you can't go to work.
14 If we're going to provide him a car, how far does that go?
15 Are we going to get State cars? That's my comment.

16 CHAIR WEISSER: Thank you, Roger. Jeffrey, do you have
17 something to say? Let's ask the audience to share their
18 views, the public. We'll start with Mr. Peters.

19 MR. PETERS: Mr. Chairman. Charlie Peters, Clean Air
20 Performance Professionals, a coalition of motorists. At the
21 last meeting we brought up the subject that many Smog Check
22 providers will be cautious with an exceedingly smoking car
23 about running that car in a test, because that has potential
24 of effecting the bench and effecting them being able to
25 continue doing Smog Checks on that machine. So, we

1 mentioned consideration of the possibility of an abort code
2 with heavily smoking cars that would allow the mechanic to
3 identify the car as being a smoking car and then additional
4 consideration as to how that car would get handled, whether
5 it would be incorporated in a cost limit or not, whether it
6 was appropriate for assistance or not, when it was not a
7 testable car for whatever reason, would require additional
8 consideration. But that could be a part of your process of
9 considering what might be appropriate in this bill. And
10 that may have an awful lot to do with how well the repair
11 industry in fact follows whatever rules and regulations come
12 out of this, so if they're not forced into doing something
13 that they think will cause a detriment to their business,
14 that could result in a much higher compliance with us
15 getting the job done. So, consideration of the possibility
16 of making that an abort situation under circumstances where
17 the provider is uncomfortable with running the test because
18 of its affect on the machine might help solve some of these
19 problems.

20 CHAIR WEISSER: Thank you, Mr. Peters.

21 MR. GOULD: Steve Gould. If you remember last month, I gave a
22 presentation on parking lot studies and quoted the DMV study
23 that was done in 2002 that showed that 1.31 percent of the
24 vehicles on the road are in a passing condition - or rather,
25 are legally registered, but their last test was a fail.

1 Now, Rocky and I have talked about this and we have kind of
2 thought about how do we explain this and I did try to
3 explain it and it got all fuzzy. But the solution to that
4 is the same that Dennis is recommending in terms of the
5 vehicles with visible smoke and that is to say fix it or
6 park it. If that is indeed where 17 percent of our
7 removable pollution is coming from, hydrocarbons, so forth,
8 then that would be a very powerful improvement in the
9 State's air quality. So, it's not really apropos to your
10 point on smoking vehicles, but it's the same solution.

11 CHAIR WEISSER: Russ, hold on. Mr. Gould, hang on for a second.

12 You said what percent of hydrocarbons, 17?

13 MR. GOULD: Well, it would be about 17 percent of the vehicles
14 that we can estimate that are on the road. Do you want me
15 to go through that one again? You had a little trouble with
16 it last time.

17 CHAIR WEISSER: Yes, hit me.

18 MR. GOULD: Okay. If we had a perfectly operating system, all
19 the cars rolling out of the station after a Smog Check would
20 be 100 percent clean. Two years later, they get tested,
21 they're 15 percent dirty. What's the average of number of
22 dirty vehicles on the road at any one time - 7.5 percent.
23 So you just take 1.31 percent divided by 7.5 percent and you
24 get something like 17 or 18, I don't actually remember,
25 something like that. It's a large - if this the case, it's

1 a large percentage of the removable pollution. The question
2 is, as somebody pointed out, is this an artifact of a bad
3 VIN on the initial test. And so this is why we're thinking
4 before we go too far with this, we need to get that one
5 researched and probably would like to get Sierra Research to
6 do that because they probably have the capability that we
7 don't. So, we haven't been pushing this as an issue, and I
8 just mention it because Dennis just mentioned the same
9 solution and it could be a significant one.

10 CHAIR WEISSER: Well, it seems to be that the issue that Dennis
11 raised is pretty large and pretty complex, particularly in
12 terms of the legislators' past reluctance to, as you're
13 saying, take somebody's car away, but one that somehow
14 merits further thought and consideration. I'm sorry, I
15 couldn't hear what you said, Dennis.

16 MEMBER DECOTA: You know, I've been a petroleum retailer for 30
17 years and the environmental compliance that I have to go
18 through as a service station owner, expense-wise - and it's
19 not an elective process, believe me. If I don't do it, they
20 shut me down. When are we going to get serious about our
21 problem? What happens is that we create a situation where
22 there's - trying to solve everybody's problem. We need to
23 help those that are disadvantaged income-wise, but we also
24 need to abide by the State law and the intent of the laws of
25 what they were meant to do and that's what Smog Check is

1 meant to do. So, what are we doing? Are we afraid to
2 recommend a hard-lined policy because we're going to get
3 backlash on the program and maybe the Administration ruffles
4 its feathers, I don't know. But I think we have to be
5 charged with the responsibility of finding some hard fought
6 for emission reductions and I think you get a big bang for
7 your buck on this. I really do, if you look at tons. I
8 think it would be very interesting to start to do the
9 analysis.

10 CHAIR WEISSER: Mr. Ward? I will say as Mr. Ward is approaching
11 the podium that I couldn't agree more with that. I think it
12 is a good place to start the analysis, but I don't think we
13 have the analysis. And we certainly need to get an
14 assessment from the public policy leadership in the State
15 from the Administration and the legislature regarding their
16 attitude to see whether or not a fix-it or park-it approach
17 is tenable. Mr. Ward?

18 MR. WARD: Thank you, Mr. Chair and Members. Randall Ward,
19 Executive Director of the California Emissions Testing
20 Industries Association. A thought, as I view the Smog Check
21 world, and of course mine is probably not terribly objective
22 any more, but I have seen in recent weeks you've had a
23 couple of speakers present reports on the additional PM
24 associated with vehicles. In addition to that, there was a
25 study that was in the Bee, I believe as recently as last

1 week that said there was a huge multiple of difference
2 between the findings of their study in terms of the number
3 of cancer-related deaths associated with air quality than
4 the EPA's. Did you see that? It was in the Sacramento Bee,
5 three or four times. And I think the estimate by EPA was 1
6 in 15,000 was directly attributable to air pollution,
7 cancer-related deaths, and the USC studies said that that
8 should change by a factor of three or four. Pretty
9 significant. Anyway, having said that, I would think -

10 CHAIR WEISSER: Excuse me. You're talking about the USC study?

11 MR. WARD: Correct.

12 CHAIR WEISSER: Okay, I did read that.

13 MR. WARD: Okay. Am I correct? Was the -

14 CHAIR WEISSER: I can't vouch for the numbers at all, Randy.

15 MR. WARD: Okay. Well, I can't either, it's my recollection.

16 But having said that, I would think that within the context
17 of the public policy questions that you're raising, Mr.
18 Chair, that it might be advisable to put those studies
19 together which are essentially combined wisdom that you
20 could use for a policy decision, this Committee could, to
21 talk about how important that element that Mr. Gould was
22 speaking about in terms of its percent of contribution to
23 the emissions is.

24 CHAIR WEISSER: Thank you. I don't think that from this

25 Committee's standpoint there's any argument regarding our

1 mutual belief that emission reductions, in our case from the
2 light duty vehicle fleet, are a key component in achieving
3 Federal and State air quality goals, which in turn are
4 health based and aimed to improve health. I don't know
5 whether this Committee is capable, Randy, of doing a lot of
6 work and get a lot of understanding of the various
7 epidemiological studies that have been done by U.S. EPA, the
8 State, and now some of the universities, most recently USC.
9 That shouldn't dissuade us from being able to take a public
10 policy position, frankly along the lines Dennis is saying,
11 which is - if it ain't working, park it until you fix it,
12 and we'll give some help for you to fix it. But,
13 ultimately, it is a citizen's responsibility for both the
14 privilege to drive and the privilege to own a vehicle to
15 drive. It's not the government's responsibility to provide
16 everybody with a new Escalade. That's just not how our
17 system works. We do believe our system says, the way we're
18 structured (bell ringing) - once again I'm getting cut off.
19 Our system is structured so that society provides a helping
20 hand here and there for people who do earn less than - what
21 are we at, 225 percent of poverty level for eligibility now?

22 MR. CARLISLE: Two hundred.

23 CHAIR WEISSER: Two hundred percent. And I defy anyone in this
24 room to figure out how they could live at 200 percent of
25 what the Feds define as poverty level. It's ludicrous, it's

1 just unbelievable. In any event, if we want to pursue this
2 issue, my belief is that we would need to pursue it in a
3 broader context, Dennis, than merely the smoking vehicle
4 issue, because I think that the point you raise is a
5 program-wide issue, not a smoking vehicle issue. And I
6 would have a problem differentiating - I wouldn't
7 understand, I don't understand why it would make sense for
8 it to be for smoking vehicles, but not for other things.
9 That being said, I am open for the notion of us frankly
10 identifying this as a major issue for us to explore as part
11 of our report to the legislature. Perhaps not this cycle,
12 but in a future cycle. It seems to me a fundamental, a very
13 core issue, and one that I either or both the administration
14 and the legislature have a difficult time wrestling with
15 because those folks have to get elected. We're appointed.
16 Maybe this is the right sort of venue to bring that issue
17 forward. That would be my two cents on the issue.

18 MR. CARLISLE: Mr. Chairman?

19 CHAIR WEISSER: Yes.

20 MR. CARLISLE: If I may?

21 CHAIR WEISSER: Rocky?

22 MR. CARLISLE: First of all, I've got to tell you that bill has
23 a lot of support. There's no less than seven additional
24 Assembly people that have signed on as co-authors of that
25 bill. A number of organizations have supported it. I did

1 discuss the issue of the cost limit with the author of the
2 bill, the supporter of the bill - or I'm sorry, sponsor of
3 the bill, and the concern is that if it's raised for only
4 that, number one, it could be the poison pill for that bill.
5 But there's also concern that the cost limit across the
6 board should be raised, and then that takes care of the
7 whole problem, plus it doesn't have the impact of making a
8 complex program any more complex than it already is.

9 CHAIR WEISSER: Rocky, let me interrupt you for a second. I
10 don't think it takes raising the cost limit takes care of
11 the entire problem.

12 MR. CARLISLE: No.

13 CHAIR WEISSER: I think it mitigates the problem, but the
14 fundamental issue that Dennis is raising is why should you
15 be able to operate a car that doesn't meet clean air
16 standards? The answer has been because we don't want to
17 take a car away from somebody who, even with the Consumer
18 Assistance Program, still won't be able to afford a car.
19 That's a fundamental public policy question. I think that
20 there's merit in discussing it and thinking it through, and
21 I don't think we need to be rocket scientists on this. I
22 think this is just public policy. We need to kind of put
23 forward a pro/con analysis of this and put it out and let's
24 at least have a voice that doesn't have to run for election
25 try to bring forward its best assessment of the pros and

1 cons of the existing structure. So that's, Dennis, what I
2 would recommend then that we do. I don't think that this
3 issue is best addressed in the context of the Lieber smoking
4 vehicle bill. I think it's a broader issue and I'd like us
5 to address it more broadly.

6 MEMBER DECOTA: My thought process on this was it was a trial
7 balloon that would not affect the mass and would allow us to
8 get some kind of feedback on that type of approach. That's
9 where I was going with this. I think that it's very doable
10 in this type of a program because it is something that can
11 be verified, it's something that we can allow for, and it's
12 something that we could get a big bang for our buck when it
13 comes to tons of reduction. So, that's why I recommended
14 this might be a good place to try out something like that.
15 If you go to U.S. EPA and you don't do your underground
16 storage tanks properly, you don't get any assistance. You
17 do it and you do it or you're out, you're shut down.
18 There's no two ways about it.

19 CHAIR WEISSER: Actually, isn't there a State program to
20 actually help some of the people who have underground
21 storage tanks?

22 MEMBER DECOTA: Up to a certain dollar limit, 1.5 million
23 dollars, yes. So, the point being though that you clean it
24 up.

25 CHAIR WEISSER: Dennis, you and I are on the same track in terms

1 of our - what I hear your belief and my belief is that, yes,
2 you shouldn't be - I personally don't think it's a great
3 idea to allow people to exercise the privilege of driving
4 around a dirty car. I don't, but the legislature has. We
5 need to raise that issue. I'm supportive of raising that
6 issue, but we need to raise it in a thoughtful, measured way
7 conducting and putting forward a paper that rationally
8 presents the various arguments and evaluates what the
9 impacts might be in terms of emission reductions, looks at
10 what the costs are, looks at the capability with the
11 existing funding that's in the CAP program, the existing
12 limits on CAP use, tries to do some sort of assessment of
13 the actual impacts on low-income people and then make a
14 thoughtful case to the legislature. We can't do that in two
15 weeks, or, I think, in two months. That's going to take a
16 lot of work and I don't think we should do it in the context
17 of this legislation. That's my perspective. Now, Dennis,
18 it has been a pleasure working with you for three and a half
19 years, the cup of coffee in your lap outstanding, and what
20 don't know is if my view is shared by others on the
21 Committee. And the only way for us to tell that is for you
22 to make a motion for the Committee to modify its position on
23 the legislation to call for what you've just said and to see
24 then if in fact that would enjoy the support of the majority
25 of the Committee or whether they prefer to approach the

1 issue as I'm recommending as outside of the context of this
2 legislation.

3 MEMBER DECOTA: That's interesting. I make a motion that -

4 CHAIR WEISSER: I'll second the motion.

5 MEMBER DECOTA: - we fix it or park it when it comes to vehicle
6 smog emissions and that be the Committee's recommendation to
7 Member Lieber.

8 CHAIR WEISSER: I will second, for purposes of discussion,
9 Dennis' motion. And now, we'll open that motion up for
10 discussion. Does anyone on the Committee have any
11 perspectives they care to share in terms of how we should
12 approach this issue? Roger?

13 MEMBER NICKEY: Well, just a comment that ran through my mind.
14 It seems to me the program has not been to end problems,
15 it's been to reduce problems. So if you take the reduction
16 attitude, then that allows for a certain number of people to
17 slip through and the smaller you can make that number the
18 better the program, but you're never going to eliminate it.
19 And I agree with fix it or park it.

20 CHAIR WEISSER: Thank you. Other questions, comments? Bruce?

21 MEMBER HOTCHKISS: Well, I agree with Dennis, but I would hate
22 to do anything that would jeopardize this bill. And I also
23 prefer to look at it as a global solution on the Smog Check
24 program, that fix it or park it, in general. As I said,
25 it's long been a sore point for me and people get waivers

1 and I can't see just pulling out one little part of it. I
2 understand what you're saying. It's a good place to start,
3 but I'd rather start with the whole apple.

4 CHAIR WEISSER: Any other Committee Members have comments?

5 Because we're proposing - Mr. Pearman?

6 MEMBER PEARMAN: Well, I would oppose the motion, but I think
7 it's something that's worth looking at. But, we need a lot
8 more analysis for me to consider it. I presume somewhere
9 along the line someone's thought of this before in the many
10 years of the Smog Check program, from some historical
11 prospective on why it was rejected in the past would be
12 helpful. And we're saying fix it or park it, but I thought,
13 at least in your description of the proposal, Mr. Chairman,
14 fix it or we'll pay certain people a certain amount to get
15 it fixed. So, we don't know what the ramifications are of
16 how we're defining that choice, if you would. And then we'd
17 have to look at the cost implications of it, even in this
18 small universe we're looking at, so we don't have enough
19 facts to make this change at this point. But I do think
20 it's worth having some subcommittee look at it either on the
21 narrow or the global basis.

22 CHAIR WEISSER: Any other Committee comments? Because we have a
23 motion before us that we're going to be voting on, before
24 that vote, I would like to entertain any comments from the
25 public. Mr. Peters? Mr. Peters, hold one for one second.

1 What's that noise, Mr. Carlisle? What a sylvan voice that
2 is. Rocky, I forgot, is this being web cast?

3 MR. CARLISLE: It is.

4 CHAIR WEISSER: Did you give the number for people or the email
5 address for people to call in or to email if they have
6 questions or comments?

7 MR. CARLISLE: I did not, but that's why I posted this one for
8 you that shows that a Committee Member is watching.
9 Obviously he can't participate, but he is on your email, if
10 you look in front of you.

11 CHAIR WEISSER: There's nothing here but a black screen.

12 MR. CARLISLE: It should be there now. Does anybody else have
13 it?

14 CHAIR WEISSER: No, of course not. Ah. Hey John, we want
15 feedback as to what this looks like on the web when you come
16 next month. So what's the message here. I can't figure out
17 how to use this.

18 MR. CARLISLE: He just makes the comment, I'm here, too. That's
19 the subject line.

20 CHAIR WEISSER: I am here, too.

21 MR. CARLISLE: Yes.

22 CHAIR WEISSER: John, welcome. You can't vote, John. Okay.

23 I'm sorry to interrupt you. Please being again, Mr. Peters.

24 MR. PETERS: Yes, thank you, Mr. Chairman, Committee. My name
25 is Charlie Peters, Clean Air Performance Professionals, a

1 coalition of motorists. I just wanted to share a little
2 history on the subject that you're addressing and that was
3 that back early on in this debate, we took a position that
4 there would be no cost limit and that every car in the state
5 ought to get an inspection. As we've gone forward in this
6 process, the ethics of the program, whether or not cars are
7 actually being repaired, whether or not what's broken is
8 getting fixed, have become significant issues, so we have
9 changed our support mechanism to, if you don't find out if
10 in fact it's working, if you don't find out if what's broken
11 is getting repaired, if you don't have a quality program
12 that works, then you end up with illusions, fraud, and
13 cheating that destroys all public support and participation
14 in the program and you end up destroying it. So I will say
15 to you that the fix-it or park-it policy or philosophy makes
16 a lot of sense, but it only makes sense if in fact you're
17 providing a quality program for the consumer, something that
18 makes sense to them, something that you can inform them
19 that's it's working and performing better than what it might
20 with just, gotcha, here we are, and allowing every new car
21 dealer in the state to go, well, it's gonna cost you \$4,000
22 to fix your six-year-old car, so you've got to buy a new
23 one. You've got to have some quality control in the program
24 to assure better consumer service and better program
25 performance in order to get there. So, I just wanted to say

1 to you that, back to my old broken record comment, if you
2 don't find out what's broken is getting fixed, you don't
3 have better quality results in the program, then I would say
4 it's not appropriate to go forward with, a gotcha, fix it or
5 park it program. If you can do that, then I think that
6 could be a very effective policy for California.

7 CHAIR WEISSER: Thank you, Mr. Peters. Mr. Gould?

8 MR. GOULD: Steve Gould, again. Again, as I said last month,
9 and this is just a technical comment, one of the advantages
10 of a fix it or park it policy, is that there is no
11 additional testing cost. Maybe about 70 percent of the
12 money that gets spent on Smog Check is spent on identifying
13 the vehicles that have failed, but once a vehicle has
14 failed, you don't need to test it again, you just need to
15 fix it. So, if you think of \$7,000 a ton of pollutants as
16 being sort of a good, fair target for any kind of emissions
17 reductions program and you realize that you are going to
18 save 70 percent of that because you're not having to do an
19 actual test, then we're talking about emissions reductions
20 that are in the - do the quick math here - about the \$2,000
21 a ton range.

22 CHAIR WEISSER: Steve, I don't understand why this would have
23 any impact on the number of tests. You'd have to test a car
24 - in other words, it would come in for a test in order for
25 it to be seen as failing.

1 MR. GOULD: That's right. It would not -

2 CHAIR WEISSER: Then the car, if it were - excuse me folks - and
3 then if the car fails and it's repaired, it has to be
4 retested to make sure it passes. So what's the absence -

5 MR. GOULD: But there's no additional test to discover the
6 failure condition. It would always have to be retested. If
7 it came in for a biennial two years later or something like
8 that, it would go through the same process. You either get
9 the initial test, you fail, and then if the ARD is going
10 give you a free retest if you do the repairs with them, it's
11 free, if he's not, it's going to cost something. But,
12 there's no additional initial test here. Unless you're
13 thinking about this in the paradigm where the vehicle is
14 spotted by the Highway Patrol or something like that and
15 they're calling them in and saying you have to do a special
16 test, then there would be a extra cost.

17 CHAIR WEISSER: Thank you. Any other comments from the
18 audience? Seeing none, we'll ask that the Committee take a
19 vote. The motion, I'll try to re-describe as best I can
20 that was made by Mr. DeCota, seconded for purposes of
21 discussion by Mr. Weisser, me, is that the Committee should
22 modify its position on the smoking vehicle bill and indicate
23 that the Committee supports elimination of any cap on the
24 cost of repairs associated to fix a smoking vehicle. Is
25 that an accurate reflection?

1 MEMBER DECOTA: Well, no, because there could be a mechanism to
2 help those that were -

3 CHAIR WEISSER: And the Committee supports -

4 MEMBER DECOTA: Right.

5 CHAIR WEISSER: - the notion of an effective Consumer Assistance
6 Program to help lower-income people.

7 MEMBER DECOTA: Yes.

8 CHAIR WEISSER: Okay, so that's the sense of the motion. All in
9 favor of the motion, please signify by - in fact, we'll take
10 a roll call vote on this. We'll go - Mr. Hotchkiss, how do
11 you vote?

12 MEMBER HOTCHKISS: No.

13 CHAIR WEISSER: Mr. Pearman, how do you vote?

14 MEMBER PEARMAN: No.

15 CHAIR WEISSER: Mr. DeCota, how do you vote?

16 MEMBER DECOTA: Yes.

17 CHAIR WEISSER: Mr. Williams, how do you vote?

18 MEMBER WILLIAMS: Yes.

19 CHAIR WEISSER: Mr. Kracov?

20 MEMBER KRACOV: Yes.

21 CHAIR WEISSER: And, Mr. Roger Nickey?

22 MEMBER NICKEY: Yes.

23 CHAIR WEISSER: And the Chair votes no. What's the vote, I
24 couldn't keep count.

25 MR. CARLISLE: Four to three in favor.

1 CHAIR WEISSER: Then the Committee will develop a letter for us
2 to review that will capture the essence of Dennis' motion
3 and we'll proceed from there.

4 MEMBER DECOTA: Thank you, Mr. Chair for a very fair -

5 CHAIR WEISSER: I didn't say I'd sign it, Dennis. I said we
6 would prepare a letter.

7 MEMBER DECOTA: I want to thank you for the way you conduct the
8 meetings. You do a good job, thank you.

9 CHAIR WEISSER: Well, thank you, Dennis that's -

10 MALE: If it had failed, would you have said that?

11 MEMBER DECOTA: I would have still said it a little more tongue
12 heavy.

13 CHAIR WEISSER: Well, you win some and you lose some. Okay,
14 we're going to move on to the next agenda item. In fact,
15 what I'd like to do if the Committee doesn't mind, is to
16 just take a short break, a 10-minute break, come back, do
17 the next item and we'll work that - how long is your
18 presentation?

19 MEMBER WILLIAMS: Am I the next item?

20 CHAIR WEISSER: Oh, no we have the BAR CARB update. Let's do
21 the BAR and CARB update and then take a break. Whoops, are
22 we already losing, we're taking a break now. Can I confuse
23 the folks some more? Okay, we're taking a 10-minute break.

24 - o0o -

25 CHAIR WEISSER: Okay, ladies and gentlemen, if I could ask you

1 to take your seats, we will begin anew. So the meeting is
2 now called back into order. And I know will ask a
3 representative from BAR to give us an update of exciting and
4 interesting events that are occurring within the Bureau.
5 And I'll tell the person doing the transcript, whose
6 efforts, by the way, we really appreciate. Transcribing
7 these meetings can't be any fun. And right now, I'm
8 stalling so that the representative of BAR can collect
9 himself, come up to the podium, introduce himself, and begin
10 to give us an update on things of interest.

11 MR. COPPAGE: Good morning, Alan Coppage, Bureau of Automotive
12 Repair. I received an email from Rocky Carlisle dated the
13 22nd of this month with a couple of requests. I understand
14 the complexities of putting together the transcript and all
15 from the Emeryville meeting and I understand the timeliness
16 of that. Two requests that he put forth for us that came
17 out of a meeting that was mentioned here earlier, the Bureau
18 Advisory Group meeting about a week and a half ago, as well
19 as some information that came out of last month's IMRC
20 meeting. First the progress of the current transition from
21 our existing electronic transmission contractor to our new
22 electronic transmission contractor is progressing. I
23 searched long and hard for the word to accurately describe
24 this. It's on its way. There is an army of people at BAR
25 going through every aspect of the electronic transmission

1 process. We would be here all day if I gave you an update
2 on each one of those aspects. But it is transitioning from
3 one contractor to the next. The one part that I can update
4 you on is the field interaction with Smog Check stations.
5 The whole point behind the transition from one to the other
6 is, as we have said, to be a seamless transition. The Smog
7 Check technicians and the Smog Check stations should see no
8 interruption in their communications between one to the
9 other. Our quality assurance field representatives, when
10 they go out and perform quality assurance inspections, are
11 going over with each technician and each station owner the
12 step that they will need to do to change the phone number in
13 their EIS unit, which is basically the only step stations
14 need to take. They will receive a letter that says on this
15 date, change your number from this number to that number.
16 You'll be calling a new communications contractor, you're
17 bill will have a different number on the top and that's
18 pretty much it. So, there's a technical step that they go
19 through with the station manager menu. We just want to make
20 sure that they are prepared to perform that step on their
21 given date, and we have been doing that for about three and
22 a half months. We do about 1,200 inspections a month, so
23 we're getting very much on track to have everybody in the
24 state ready to do that.

25 CHAIR WEISSER: Any sense of an anticipated transition date?

1 MR. COPPAGE: I do not have a date to give you at this time, no,
2 I do not. That's the transition. Secondly, the Bureau
3 Advisory Group meeting that we had a week and a half or so
4 ago, I received a request from Rocky about a presentation
5 that was done there, the Bureau of Automotive Repair's Clean
6 Car Repair Effectiveness Program. We'd like to do a short
7 presentation on that, and I will introduce my boss, Mr.
8 Richard Sullivan, who's the program manager for the Smog
9 Check Field Operations and Enforcement Division within the
10 Bureau of Automotive Repair, and I'll turn it over to him at
11 this time.

12 CHAIR WEISSER: Thank you, very much, Alan, and welcome.

13 MR. SULLIVAN: Good morning, Richard Sullivan, Bureau of
14 Automotive Repair. I'm here today to talk about the Clean
15 Car Project that the Bureau has enacted. Clean Car is part
16 of the Bureau's ongoing effort to lower emissions through
17 effective emissions repairs. We believe that when a failed
18 car is identified, it's the opportunity to make the repair
19 and lower emissions. What we find is that there's an
20 element, a certain segment of the industry that has a
21 minimal effect of repairs. And what we see is that by
22 reviewing the data, the repairs consistently barely get the
23 car under the pass line. It's a mindset that we believe
24 that consumers often carry that fix it to pass. It's the
25 fix-to-pass scenario. We believe that part of the problem

1 is that transcends through the industry and through some of
2 the repair shops. What the goal of Clean Car is, is to
3 through proactively and educate lower performing shops to do
4 proper diagnosis. We believe one of the key factors in poor
5 repairs is poor diagnosis or partial diagnosis. That's
6 where, as we reviewed repairs and look at things, that's
7 where we seem to get into trouble. We want to change the
8 mindset of both consumers and the shops to get to the point
9 where a failed car is a broken car and to really acknowledge
10 that. What Clean Car does is, we look at the higher
11 performing stations, the Gold Shield stations, and then we
12 look at what their best practices are in the industry, what
13 they do and how they do it. And what Clean Car does is we
14 identify the lower performing shops and we take to them and
15 education them and work with them as far as what the better
16 shops are doing and how they're doing it. And try to raise
17 their grade. The grade is based on VID data that we analyze
18 and it's also based on elements of the Gold Shield grading
19 system. There is a history to Clean Car. In April 2003 to
20 March 2004, a pilot program of Clean Car was enacted by the
21 Bureau where we did essentially the same approach. We went
22 out to the low performing shops, we addressed the situation
23 with them, and what we got out of the pilot program was six
24 out of ten shops were able to improve their grade, just by
25 this input from us and it was a sizable improvement. We

1 made some modifications to the initial pilot program and
2 reenacted it and, essentially, the procedures today are that
3 we identify shops, again through the VID data and through
4 the Gold Shield standards, and we identify lower performing
5 shops. What we do, which is essential, is we go out and we
6 do a field visit with them. In the field visit, we explain
7 to them our observations, what we see, what we see as
8 potentially the problem, and we explain our expectations and
9 we share with them what the higher performing shops are
10 doing and how they do it. A failed car is a broken car is
11 the mindset we try to convey to them. We listen to their
12 concerns and we answer their questions and we agree to come
13 back in 90 days. So, we also visit repair orders, we look
14 at the repair entry data because sometimes some of these
15 shops aren't putting in data into the analyzer the way
16 they're supposed and that influences a lot of things. We
17 agree to come back in 90 days. In 90 days, we review the
18 data and then we go back and if they've made improvements,
19 great, we want to encourage and continue that. We continue
20 to monitor them. If they haven't made improvements, what we
21 do is we start to narrow down why and what's the issues with
22 that particular shop. We also look for repair trends when
23 we're analyzing the data. Some shops can seem to get into a
24 rut where they only repaired that one line, and we want to
25 broaden that horizon. Currently, I wanted to give you some

1 stats on where we're at with this. What I did was I took a
2 snapshot of September 2005. During September 2005, we
3 visited 82 stations in the Clean Car Program. Of the 82, 73
4 did repairs. Of that 73, 44 of those stations were able to
5 lower their emissions by 38.5 percent, which is substantial.

6 CHAIR WEISSER: Mr. Sullivan, may I interrupt for a moment?

7 MR. SULLIVAN: Certainly.

8 CHAIR WEISSER: How many people do you have working on this
9 statewide?

10 MR. SULLIVAN: Staff-wise, roughly - what we did was we took
11 certain Bureau representatives in each field office and
12 trained them in Clean Car, so roughly 40.

13 CHAIR WEISSER: You have 40 PYs statewide?

14 MR. SULLIVAN: Yes, roughly 35 to 40.

15 CHAIR WEISSER: And you - those 40 PYs in September then, were
16 able to look at 80 stations, approximately?

17 MR. SULLIVAN: Right, and what this is, this is an extension off
18 of quality assurance.

19 CHAIR WEISSER: Right.

20 MR. SULLIVAN: It's actually an expansion of the quality
21 assurance program where we're focusing on the repair and the
22 repair effectiveness with the stations that, again, are low
23 performers.

24 CHAIR WEISSER: And what was the percentage again of improvement
25 in terms of emission reductions?

1 MR. SULLIVAN: Oh, 38.5 percent were able to improve their
2 grade, 44 of them improved - 44 of the stations improved
3 their repair effectiveness by 38.5 percent, which means they
4 were able - here's the cut-line, they were able to lower it
5 38.5 percent more than they had been lowering it. And so,
6 it's a great effect. It's really been working. Seventeen
7 of those stations made less of an improvement, but still
8 made some improvement. Twelve stations hadn't improved of
9 those 73 and they remain in the Clean Car Program where
10 they're going to be revisited and re-evaluated and revisited
11 and we're going to keep narrowing in on the problem and the
12 situation. If - and it hasn't happened yet, but if things
13 were to not improve at all, then we would probably have an
14 office conference with the technician and the shop owner to
15 stress the importance of effective repairs, because that is
16 the message of Clean Car. To date, we have visited over 300
17 stations and again, of those 300 stations, these numbers
18 seem to run very consistent through Clean Car month after
19 month. And then, what we do, is we really stress in Clean
20 Car the benefits, because we believe that there's benefits
21 for effective repairs for everyone. There's benefits for
22 the consumers that we believe is not getting transcended
23 from the shops to the consumer. When a consumer is informed
24 their car fails, sometimes we go down a bad road, will I fix
25 it to pass. And some of the benefits that we believe is

1 that if a car is fixed properly, it's far more dependable.
2 It also lowers the stress and strain on other components
3 that potentially will fail later and cost even more to fix.
4 And the other thing is - and we don't guarantee this, but
5 oftentimes, if a car is fixed properly, it gets better gas
6 mileage. We crunched the numbers on that and in a
7 hypothetical situation, if a car that gets 13 miles to the
8 gallon is driven 15,000 miles a year, which is pretty
9 average, and 13 miles per gallon may be an SUV of some kind,
10 and we did this based on gasoline priced at \$2.38 a gallon.
11 If emissions repairs were to improve the mileage by two
12 miles per gallon, just two miles per gallon, get it to 15
13 miles per gallon, that's a savings of \$366 a year. They're
14 not getting told that and they need to know that. Again,
15 we're not guaranteeing better gas mileage every time you get
16 your car fixed, but it is a potential, because a lot of
17 times cars aren't passing the smog inspection, they're not
18 running right, they're not getting their best mileage, so
19 that's part of the Clean Car approach. The other aspect to
20 is for the stations. There's benefits for the repair
21 stations. There are fewer comebacks, there are missed
22 opportunities in repair revenue that is legitimate, there
23 are missed opportunities to educate consumers and create a
24 reputation between the customer, you know just get them in,
25 get them out, doesn't really help the business in the long

1 run. We believe it's good business and we also believe it's
2 the law to fix them properly. And then, of course, we
3 believe that this is going to yield tangible emission
4 reductions and cleaner air for all, so it's a benefit for
5 California. We have some handouts here on Clean Car that
6 we'd like to share with you.

7 CHAIR WEISSER: Thanks, hang on for a second.

8 MR. SULLIVAN: Sure.

9 CHAIR WEISSER: We have a couple of questions. Before I go to
10 the questions, I believe that in the last BAR Reporter,
11 there was an article on this and I thought that was really
12 well done. In fact, I think this newsletter you guys put
13 out is a pretty good newsletter, though I would have like
14 the percentage for qualifications for the CAP program to
15 have been more accurately reported. But it's a good
16 newsletter and I commend BAR on it. We'll start with Dennis
17 for questions.

18 MEMBER DECOTA: Yes, Mr. Sullivan, Dennis DeCota. I feel that
19 this is a very proactive approach to improving the repair
20 effectiveness at the shops, but are we trending it - will
21 there be some type of development training that comes out of
22 your efforts here, and educational more than anything else.
23 Every shop owner wants to be able to make more money by
24 repairing the vehicle. It's a conflict in his own business
25 philosophy not to do so, so I don't believe that these are

1 intentional areas. How many of these shop owners are
2 confused basically by the natural conflict in getting the
3 car to pass for X dollars versus having a long-lasting
4 repair that may cost the consumer more money? Has the shop
5 owner been coming back to you with questions like, I thought
6 I was only supposed to sell the consumer what he needed to
7 pass? I think that's the mindset. Are you finding that to
8 be true?

9 MR. SULLIVAN: In some cases, yes. I don't have an exact number
10 or figure of who, but yes, we do run into that and it's an
11 interesting - one repair I like to equate smog repairs to is
12 brake repair.

13 MEMBER DECOTA: Okay.

14 MR. SULLIVAN: If you brought your car in and it needed brakes,
15 the pedal was on the floor and the wheels were grinding,
16 would you take just one wheel off and replace just one
17 outside brake pad and call it fixed? You'd pull all the
18 wheels off and that's the mindset that we were trying to
19 pass onto Smog Check. Pull all the wheels off, see what it
20 really needs. Tell your customer, because nobody wants to
21 do a partial brake job. We just don't want to do partial
22 smog repair.

23 MEMBER DECOTA: I absolutely agree, but I'm not naive either. I
24 also know that in a brake repair, you'll come back in behind
25 and second guess whether the guy put in grease seals or

1 something like that and then write him for overselling. So,
2 that's the double-standard that the industry lives with.
3 You know, I'm damned if I do and I'm damned if I'm not. I
4 think this is positive, don't get me wrong.

5 MR. SULLIVAN: Certainly.

6 MEMBER DECOTA: And I'm not sitting here and finding fault with
7 it, but I hope that the result of this is some type of
8 outreach training to the industry on how to take and perform
9 Smog Check in a manner that creates longer lasting repairs.

10 MR. SULLIVAN: Right.

11 MEMBER DECOTA: And if that's what you're doing, I commend
12 wholly. If you're sitting down there and the guy is passing
13 cars barely and you're going to call him in for an office
14 visit and put his license on restriction because he thinks
15 that he's operating within the law and performing properly,
16 then I've got a problem with it. But that's what I'm
17 talking about.

18 MR. SULLIVAN: Yes, I understand. Clean Car is a very proactive
19 approach, it's educational, and just by the numbers, it's
20 effective. We're getting results early on, and it is early
21 in Clean Car. But as far as the actual training and stuff,
22 what we do is we focus individually. We want to look at a
23 case-by-case basis. I have - one particular station's
24 repair effectiveness problem may be very different from the
25 next and so what we want to do and our reps are trained to

1 do is focus in on that and then aim and suggest - we make
2 suggestions as to additional training that would help in
3 your particular area of need. And so, as far as a blanket
4 training, and maybe I didn't fully understand the question,
5 but as far as a blanket training or approach, we don't have
6 that. What we're trying to do is individually focus on each
7 shop and encourage them to raise their repair effectiveness
8 based on what they're doing and how they're doing it.

9 MEMBER DECOTA: I understand that, but this industry
10 representative wants to extend this to you.

11 MR. SULLIVAN: Certainly.

12 MEMBER DECOTA: We would be more than happy to work with BAR if
13 your trendings find common problems that we could develop a
14 training course and go out and help you and reinforce
15 industry in training them on issues that they need to become
16 more enlightened by. So, what I'm saying to you, if doing
17 this, you create a protocol or something like that that will
18 help, we'll go out and train our people.

19 CHAIR WEISSER: For a particular type of repair you're saying or
20 problem - test problem?

21 MEMBER DECOTA: A common trend or a problem or a common error,
22 okay.

23 MR. SULLIVAN: Okay.

24 MEMBER DECOTA: That's what I'm saying.

25 MR. SULLIVAN: Certainly.

1 MEMBER DECOTA: Let's get some - let us help ourselves. Give us
2 some information and this and we'll make sure that industry
3 becomes more educated on it.

4 MR. SULLIVAN: Certainly.

5 MEMBER DECOTA: Okay, thank you.

6 CHAIR WEISSER: Mr. Pearman?

7 MEMBER PEARMAN: Would achieving the goals of this very fine
8 program of yours be facilitated if there was a mandate that
9 the repair cut-points be lower than the initial test fail
10 cut-points?

11 CHAIR WEISSER: That is what I was going to ask.

12 MR. SULLIVAN: At this point, I don't believe that would have a
13 direct effect on what we're doing. With this program right
14 here, we're just trying to raise the lowest of the shops to
15 where the best of the shops are. As far as changing the
16 cut-points right now, that would affect everybody across the
17 board. Right now, we're not really comparing that to
18 looking at specific repair diagnosis and, for lack of a
19 better term, repair errors that are being made. So, right
20 now, we're just - Clean Car is simply comparing the best of
21 the industry with the lower performing part of the industry.
22 As far as the cut-points, that would be a different issue at
23 this point.

24 CHAIR WEISSER: BAR still supports the recommendation that was
25 in the BAR/ARB study for higher post-failure cut-points for

1 passing; is that accurate?

2 MR. SULLIVAN: I'm not sure I understand the question.

3 CHAIR WEISSER: Okay. I believe in the draft BAR/ARB report -
4 which I think, by the way, is now official - that there was
5 a recommendation for consideration, I think it has to be
6 statutory change, that would allow for a higher, or tighter,
7 I should say, cut-points for cars to pass Smog Check once
8 they were identified as failing vehicles (tape ends) much
9 along the same lines as what your folks are doing, Mr.
10 Sullivan. Now, I may be off on that and I can see Rocky
11 furiously working to find that aspect.

12 MR. SULLIVAN: Well, again -

13 CHAIR WEISSER: Alan, if you have something you want to add -
14 okay.

15 MR. SULLIVAN: I'm sorry. Again, the issue of cut-points, I
16 believe would be, at this point, with Clean Car a different
17 issue. Right now, we're focusing on ability and then the
18 cut-point again is across the board for all.

19 CHAIR WEISSER: Yes, the point I guess that I think about is, it
20 might remove this potential conflict that members of the
21 industry are faced with in terms of trying to meet the
22 program goals of cleaning cars, as you are doing. And also
23 being able to tell their customers with a straight face
24 that, no, I'm not trying to get you to pay extra for
25 something, you really need to do these things and you will

1 be happier if you did them. And I see on Page 43 of the
2 ARB/BAR final report to the legislature, and boy it warms my
3 heart to be able to say final report to the legislature,
4 that in fact there is an item on more stringent cut-points.

5 MR. SULLIVAN: Okay.

6 CHAIR WEISSER: So, you might want to get behind that. One
7 further question before I go to Roger and then Jeffrey.

8 MR. PEARMAN: I have one more though.

9 CHAIR WEISSER: Oh, I'm sorry, Mr. Pearman.

10 MR. PEARMAN: Yes, just that you've talked about lower
11 performing stations were your target. How did you define
12 that?

13 MR. SULLIVAN: As far as the lower performing stations?

14 MR. PEARMAN: Yes, what is a lower performing station versus a
15 higher performing station?

16 MR. SULLIVAN: Okay, essentially what we do is we use the Gold
17 Shield standards for grading, emissions repair grading
18 effectiveness, and we take elements of that and we apply it
19 to the VID data and we look at - essentially, what we're
20 looking at is emissions reductions after the repair and how
21 much they are per vehicle. See, it varies between vehicle
22 to vehicle and certain stations consistently repair only
23 this much lower, where high, top performing shops repair
24 sizably more. And so what the data indicates to us is that
25 the higher performing station is targeting and finding and

1 repairing the problem and bringing the car back to very
2 acceptable emissions levels, where the lower performing
3 station is potentially just hitting on the surface and just
4 doing whatever to get it just low enough to pass. That's -
5 we aren't basing this entire program on a do or die approach
6 to the grading system. The grading system is a trigger to
7 let us know we need to go talk to them. But the essence of
8 Clean Car is in the field visit. When we go out there and
9 we make contact with the technician, we look at what he
10 does, we talk to him, we find out his diagnostic procedures,
11 we look at his manuals, does he use them, does he have them?
12 That's the human element to this where data is great, but I
13 believe the big part of the success is the one-on-one
14 contact with the technician to see what he's doing and how
15 he's doing it and being able to share with him better ideas.
16 We took a study as far as the top performing shops and what
17 do they do and how are they doing it, and what we find in a
18 top performing shop is that they have a repair strategy.
19 They have a different philosophy. They set the stage for
20 success. They are there to make effective emission repairs.
21 It's in their mindset. They believe that a failed car is a
22 broken car. They believe that - they not only invest beyond
23 the minimum, in their equipment, in their education, their
24 training. They don't just go to school to get their
25 license. They continue to go to school to stay updated and

1 stay on top of new changes, new cars, new vehicles. These
2 are the heavy hitters in the industry and we want to take
3 what they're doing and just transcend this knowledge to
4 lower performing shops and say, hey, this is what your
5 competition is doing and this is how they're doing it.

6 MR. PEARMAN: Is this information listing on the lower
7 performing shops available to the consuming public so they
8 can use that in factoring into their decisions of where to
9 go for Smog Checks, and if not, why not?

10 MR. SULLIVAN: No, it's not. It comes from our internal data.
11 It comes from the VID data and it comes from our analysis of
12 the VID data when you apply the Gold Shield program to it.
13 So, it's - I wouldn't even know how they'd get access to it.
14 Anything else?

15 CHAIR WEISSER: Yes, there will be a couple more questions.
16 We'll go to Roger.

17 MR. SULLIVAN: Sure.

18 MEMBER NICKEY: Roger Nickey. I'm curious how much - the final
19 decision for repair is made by the customer, not by the
20 shop.

21 MR. SULLIVAN: Correct.

22 MEMBER NICKEY: So you can have two shops that are equally as
23 effective in diagnosing and coming to what it's going to
24 take to make the best repair. But if you can't get it
25 across to the customer or the customer is just not going to

1 pay the money, you're going to have a marginal repair versus
2 a complete repair based on how far the customer wants to go.
3 To what extent is that addressed in this study, because
4 again, the customer has the final decision, not the shop.

5 MR. SULLIVAN: Correct, great question. What we believe is that
6 a well-informed customer makes better decisions. Another
7 thing we find with the top performing shops is they take the
8 time to talk to the customer and to education them and
9 explain what they need and why they need it. Customers are
10 far more inclined to authorize repairs when they know why
11 they need it. If you approach a consumer and just say, your
12 car failed, you need \$500 worth of work. The decision gets
13 really black and white, I'm going to go somewhere else. If
14 they take the time with the consumer, and that's what we
15 advocate with Clean Cars. Take time with the consumer,
16 explain why they failed. Certainly nobody likes hearing
17 their car failed. It's just not pleasant news. Everybody
18 would love their car to pass each time, but we know that a
19 lot don't, and so it's when they take the time and explain
20 to them and sell it, they're going to make more informed
21 decisions. As far as the consumer having the final say, I
22 believe the shop has the final say, too, because for years,
23 when I was in the industry, I told many customers I'd rather
24 turn down than let you down, and if this is all you want,
25 I'm not comfortable with doing just that. It's like the guy

1 with the brake job that comes in and says, I want one brake
2 pad put on. I wouldn't do that job either.

3 MEMBER NICKEY: So, it really becomes - I don't know if it's an
4 equal issue, but the diagnostic skills and reparability is
5 offset by whether you can impart that to the customer and
6 actually sell the job based on the benefit to the customer,
7 so it becomes a communication thing just as much as it
8 becomes a diagnostic and skill level repair situation.

9 CHAIR WEISSER: Well, stated. Jeffrey?

10 MEMBER WILLIAMS: I have a related question. All this sounds
11 splendid, but some cars - they shouldn't be repaired. They
12 should be sent off to car heaven and I'm finding - I hope
13 you'll stay around and see some of the statistics that I've
14 developed, that a large number of cars, they fail and
15 somebody makes that decision. What about training people to
16 sort of do the hospice care aspect, shall we call it that?

17 CHAIR WEISSER: I love that.

18 MR. SULLIVAN: Certainly, again getting back to the consumer,
19 that's a decision the consumer makes and whether a car
20 should actually be repaired or retired can come in many
21 forms. A lot of times, especially with modern
22 transmissions, the cost of repair exceeds the value of the
23 vehicle for a lot components in a vehicle. And if that
24 comes up with an emissions-related repair, I think the final
25 decision becomes the same, is that it's going to cost so

1 much to fix this thing that it's no longer worth it. The
2 car, the year, make, model, mileage, all those factors,
3 that's a decision a consumer makes and I believe the shops,
4 in general, do a good job of informing - if they do a
5 complete, thorough diagnosis, they're going to come up with
6 a complete, thorough repair. They're more likely to come up
7 with a complete, thorough estimate and repair and then the
8 consumer can say, you know, this thing isn't worth fixing.
9 And it will happen.

10 MEMBER WILLIAMS: I'll just follow-up on that. So are you
11 finding your higher quality shops versus this lower
12 performance shop, there's a different rate of, for the same
13 style of car, the it's time to go moments. Is there a
14 difference in retirements?

15 MR. SULLIVAN: We don't have access - we've struggled with that
16 data. As far as what the consumer does with the car, I
17 really don't track that and haven't tracked it as far as did
18 they take it somewhere else to get it fixed, did they take
19 it home and the neighbor fixed it, it gets very hard to
20 track that where the car ultimately winds up. But, again,
21 we get a good idea when we go out and we have that one-on-
22 one contact with the shop and we find out their concerns
23 because sometimes we go to shops and they say, well, in my
24 economic neighborhood, they can't afford to fix this. And,
25 certainly, we all know in California there's different areas

1 of economic strength, but the problem with that argument is
2 that the shop right down the street is doing far better than
3 you and he's in the same neighborhood, and so that's the
4 information we share.

5 CHAIR WEISSER: I have a question. You said there were about 40
6 PYs, personnel years, of staffing available for the program?

7 MR. SULLIVAN: Approximately, yes.

8 CHAIR WEISSER: Approximately how many shops do you anticipate
9 being able to provide consulting advice to with those 40
10 PYs?

11 MR. SULLIVAN: Well, as far as an exact number of shops, I don't
12 have that. What I do believe is that shops that fall into
13 the Clean Car criteria is roughly seven percent of the test-
14 and-repair shops, so I could formulate maybe a number of
15 that. I don't know, I'd be slow to put a number on that.
16 But, roughly it fluctuates at seven percent.

17 MEMBER DECOTA: Yes, 350 to 400.

18 CHAIR WEISSER: So, let's say Dennis is suggesting it's 350,
19 400, something like that.

20 MR. SULLIVAN: We think about 400.

21 CHAIR WEISSER: Okay, so let's say it's 400, so you have 40 PYs
22 available to consult these 400, so that's 10 per PY about
23 and there are 12 months in a year. I'm sure these people
24 are getting out more than once a month.

25 MR. SULLIVAN: Oh, yes.

1 CHAIR WEISSER: So, what else are they doing, these 40 PYs?

2 MR. SULLIVAN: They are also part of the ongoing QA process.

3 CHAIR WEISSER: So the 40 PYs isn't just for Clean Car, it's the
4 whole QA thing. Disregard my question, then. Thank you.

5 MR. SULLIVAN: The 40 were specifically trained in Clean Car
6 approach and field visits.

7 CHAIR WEISSER: Do you have any break down as to how much of the
8 QA program you want to put into the Clean Car?

9 MR. SULLIVAN: Let me make sure I understand the question. As
10 far as -

11 CHAIR WEISSER: You don't even need to worry about it. I'm
12 going to withdraw the question. That's your business.

13 MR. SULLIVAN: Let me answer it with this. We believe that this
14 is an important issue and we're going to do what it takes.

15 CHAIR WEISSER: Now, as I indicated in the beginning of this
16 discussion, I was really impressed with the article that was
17 in the advisory and I'm wondering if you're developing
18 materials that store/shop owners could post for their
19 customers to see that would be helpful in explaining your
20 perspectives to customers about broken cars so it gives the
21 shop owner help so the customer doesn't always just see the
22 shop owner as trying to rip him off for more than he needs
23 to spend. If they had something from the State that said, a
24 car that fails Smog Check isn't just a failing car, it's a
25 broken car. I mean, some sort of propaganda to inform the

1 public of the proper perspective that you think they should
2 be taking in terms of a relationship to their car. Mileage
3 and all the benefits that you talk about. I'm just
4 wondering if that might not actually be helpful for a shop
5 owner to have as part of the informing the public of their
6 responsibility associated with the program.

7 MR. SULLIVAN: We'll certainly take that under advisement. I
8 could see some benefits to that.

9 CHAIR WEISSER: Okay.

10 MR. SULLIVAN: All right.

11 CHAIR WEISSER: Would you - could you arrange, Alan, for us to
12 kind of get a sense of what the Bureau feels about this in
13 three months or four months? I just want to loop back. It
14 seems to me one of the things that I've heard sentiments on
15 this Committee for the three wondrous years I've the
16 pleasure of serving, has been a real desire to improve the
17 communications with the public, public's understanding of
18 the program and the relationship between the public and the
19 shop and the State and this seems to be - I'm interested in
20 this one, so I would like to get a status report in three
21 months as to what - does this provide an opportunity that's
22 really a win, win, win, for the public, for the State, and
23 for shop owners.

24 MR. SULLIVAN: Very good.

25 CHAIR WEISSER: Okay.

1 MR. SULLIVAN: All right.

2 CHAIR WEISSER: Any comments from the public on this particular
3 presentation? We'll start with Bud and then go to Charlie.
4 Bud?

5 MR. RICE: Hi, Bud Rice, Quality Tune-Up Shops. Two comments I
6 wanted to make are both piggy-backing off of what Dennis
7 said and what Roger said. You're correct, Roger, it's the
8 customer that's the one who makes the final decision. And
9 depending on how the presentation is done, you're going to
10 get differing results based on that, all else being equal.
11 On Dennis' side, I would tell you that part of our problem
12 at the field level for the shops is a goal line that keeps
13 moving around all the time. And it's hard to figure out,
14 when do you cross it and when don't you cross it. The
15 Bureau doesn't say, okay, if the car fails at this
16 percentage rate, we want you to get at this percentage rate
17 and here's the ways to get there, and then you've got some
18 running room to go get it. Next Administration, we're going
19 to have a whole different set of rules we're going to have
20 to live by. So, it's almost like the interpretation is too
21 wide for guys to have black and white criteria for how
22 they're going to perform their jobs. It needs to be clearer.
23 It needs to say, if you do this and this, you're fine. If
24 you step over this line, you're bad. Today it's, well, if
25 the customer thinks you're committing fraud, it's fraud.

1 But maybe not. Maybe it's us just going, well, here are the
2 five repairs we think you ought to do. If you do this one,
3 it's likely you're going to get this much repair, this much
4 here, we think you're going to pass, but in order to really
5 get some good emission reduction, we think you ought to do
6 this one and this one, too. Well, let me just do those
7 first two. Okay, well, I didn't do my job now, because I
8 didn't go enough. Or, if I went enough, now the guy's
9 complaining that I went too far. So, it needs to be a lot
10 more clear as opposed to how far you can go, how far can't
11 you go and what are the real rules. It needs to be in
12 writing. It needs to be in writing so that when they come
13 back around and yell at you, you can go, well, here's what I
14 did and here's what you told me to do and here's what I did.

15 CHAIR WEISSER: Well, I think that's the impetus behind the
16 BAR/ARB recommendation to increase the stringency of cut-
17 points on failing vehicles. At least partially. Mr.
18 Peters?

19 MR. PETERS: Mr. Chairman. I'm Charlie Peters, Clean Air
20 Performance Professionals, and as I've already previously
21 stated, this is a subject matter that I think is very
22 important and I perceive there is a part of this discussion
23 that's not being discussed that may be quite important. As
24 an example, there's virtually every emissions repair
25 technician in the State of California has had a situation

1 where he's been given a list of things to do to repair a car
2 with a specific problem. You go through this flow chart and
3 the flow chart tells you to replace the computer. And as
4 often as not, it isn't the computer that's a problem at all,
5 but if we require, based upon the procedures that we're
6 using, that the mechanic replace the computer because that's
7 what the list of things said he had to do, in fact, he's
8 brought in the customer, because in fact, it's not the
9 computer that's the problem. So, unless there is a segment
10 here - as an example, some time ago, there was a number of
11 undercover runs in Southern California where they had
12 undercover cameras determining whether or not somebody did
13 functional tests required in the program and the car that
14 was used, the procedures for functionally checking what was
15 required, did not determine whether it worked or not. So,
16 possibly the reason that particular car was used was to
17 demand compliance with what the manual said was appropriate,
18 and if you did what the manual said was appropriate, you did
19 not fix the car. So there's an issue here of what's broken
20 getting fixed. As an example, there are ERGs that have a
21 mechanical device that's permissive for the ERG to function.
22 When you use the factory procedure, you don't determine
23 whether or not that works, and when that doesn't work, the
24 car doesn't function and it doesn't pass, but you're not
25 allowed to fix it because the procedure is incorrect. So

1 there's an issue here of what's broken getting fixed, and
2 actually determine whether or not that gets fixed, that I
3 believe can make a huge improvement in the outcome as the
4 colloquy between myself and Mr. Carlock, of the Air
5 Resources Board and the marginally failed cars if in fact
6 you fix what's broken, they're fixed every time, which in
7 all evaluations of the program it says those cars get worse,
8 but if in fact you're fixing them, you'll get a huge benefit
9 in reduction of emissions. So that's not being discussed
10 here. I think it should be and it should be incorporated
11 and find out if in fact there's an opportunity there that
12 would very significantly improve program performance and
13 very much might improve program cost as well. The thing
14 that -

15 CHAIR WEISSER: Thank you. Thank you, Mr. Peters. The time is
16 up. Are there any other comments from the public? Mr.
17 Sullivan, thank you very much. You've made a great
18 presentation. I feel better informed and really appreciate
19 your providing us with your wisdom. Is there a
20 representative from the Air Resources Board? None. I
21 wonder why. Rocky, I'd appreciate it if you'd follow up and
22 find out why no one from ARB was here today to make a status
23 report. Jeffrey, what sort of timeframe do you have in
24 terms of this presentation? What do you think?

25 MR. WILLIAMS: I think it's about an hour.

1 CHAIR WEISSER: For the presentation or do you think
2 presentation and questions? I'm just trying to get a sense
3 of what we should do.

4 MR. WILLIAMS: A little longer than an hour for both.

5 CHAIR WEISSER: For both. What do you folks feel like doing?
6 We could go to lunch before the crowd and come back early
7 and that might be better. Okay.

8 MALE: Have we gone over the Horton letter or are we going to?

9 CHAIR WEISSER: No, I want to do that after Jeffrey's
10 presentation. That would be our - essentially we'll have a
11 short update on the IMRC report, the draft report, but that
12 will be the last large item. So, let's do that. Let's take
13 a lunch break now and come back at 12:30 and we'll have
14 Jeffrey's - pardon me? 12:15 I've been told by Jeffrey.
15 We'll have a 45 minute lunch break. People are giving you
16 dirty looks, Jeffrey. So, 45 minutes. We'll see everyone
17 at 12:15.

18 - o0o -

19 CHAIR WEISSER: Okay, we're going to call the afternoon session
20 of the IRMC back to order. Before we get started, I know
21 Roger had a couple of comments he wanted to make and this is
22 in regard to the notion of having higher cut-points for
23 failing vehicles than that which is applied to vehicles
24 first going through the system. Roger?

25 MEMBER NICKEY: Thank you. It just occurred to me that I can

1 see a tremendous up-tech in pretests and, basically, I could
2 just see you pretest the thing, if it takes five times to
3 get it to the original fail rate rather than have it fail -
4 have to pass the different cut-points, so I don't see any
5 real benefit from it because it possible to pretest it
6 forever until you get it to where you want it and then have
7 it pass the original cut-points.

8 CHAIR WEISSER: That was one of the issues that came up when we
9 were discussing this when it was first put forward by
10 ARB/BAR in their draft report. There were a whole variety
11 of other issues. How the public or how the legislature
12 would accept the notion of two different cut-points is a
13 difficult hurdle also that we'd have to cope with.

14 MEMBER NICKEY: As a PR battle, that would be very difficult.
15 Why do I have to pass at a different rate just because I
16 failed one time.

17 CHAIR WEISSER: And yet the potential benefits in terms of
18 longevity of repairs appear to be fairly significant.

19 MEMBER NICKEY: I agree with that, but it's just going to be a
20 hard sell. It's like -

21 CHAIR WEISSER: Have you seen the write-up of that issue in the
22 final report, Roger?

23 MEMBER NICKEY: No.

24 CHAIR WEISSER: I'm going ask you to pass that down and when
25 you're done, give it back to Rocky. Rocky, you have

1 something you want to add quickly?

2 MR. CARLISLE: Yes, Sierra Research did a study last year and
3 they published it. We've got the results of that. They
4 said that basically you could accomplish the same thing by
5 simply tightening up the cut-points to specific model year
6 vehicles, so that's a similar issue. In other words,
7 instead of having two cut-points for each model year
8 vehicle, you'd just tighten them up for those vehicles that
9 could be cleaner and do typically pass much cleaner, and
10 you'd accomplish the same thing. You'd get about five to
11 seven tons per day in emissions reductions.

12 CHAIR WEISSER: Do you have that study?

13 MR. CARLISLE: I do have that study and I can get you a copy of
14 it. And ARB is also in favor of that - of adopting that.

15 CHAIR WEISSER: Well, I'd be interested in seeing that.

16 MEMBER NICKEY: Isn't that kind of like outcome-based Smog
17 Check? The ones that can pass the test get higher goals,
18 and the ones that can't, we're going to lower the bar for
19 them?

20 CHAIR WEISSER: Roger, I really appreciate your vision on this
21 Committee. You do look at things from the other side of the
22 telescope and -

23 MEMBER NICKEY: I am on the other side of the telescope.

24 CHAIR WEISSER: Okay. Well, we've move to the next item on our
25 agenda, which is a presentation by Jeffrey on analysis of

1 test-only, test-and-repair, Gold Shield stations. Jeffrey
2 said to me just prior to our reconvening the afternoon
3 session - well, he said it actually at the conclusion of the
4 morning session and then repeated just before I brought the
5 afternoon session to order, that this is a very complex and
6 complicated subject that he's looking into and one that is
7 easily confusing to people. I think he meant such as me,
8 and suggests that Members of the Committee, if there are
9 questions while he's going through the presentation, in this
10 instance, not to wait until the conclusion of the
11 presentation, but to kind of call a halt because I suspect
12 we'll need to understand one part before moving onto the
13 next part. So, with that, I'll ask Jeffrey to begin.
14 Jeffrey?

15 - o0o -

16 MEMBER WILLIAMS: Rocky Carlisle and Steve Gould suggested about
17 a month ago that I concentrate my attention on the so-called
18 sample D that's in the test records because sample D is a
19 random sample of the vehicle population and we might be able
20 in that to learn some important information about the
21 comparison among types of stations, test-only, Gold Shield,
22 and others, because there isn't the issue of the selection
23 of vehicles through the high-emitter profile directing
24 vehicles to test-only that are thought to already be likely
25 to fail, and so that the fail rates or test procedures and

1 so forth might be somewhat more comparable in this sample D.
2 And so I've concentrated the last month with Emily
3 Wimberger's help on looking at sample D and want to show you
4 some of the information I've deduced from that. There are
5 some puzzles, some very strong facts, and I think some of
6 them are quite interesting. Let me explain a little bit
7 more about the sample D and what I've used in this and the
8 way I've taken a sub-sample of sample D and want to explain
9 why. So, Sample D is a 1/1000th random sample of all cars
10 that are up for registration renewal. Some of them are then
11 directed through the HEP, but this 1/1000th sample is taken
12 before that. There's also a, what would be a 19/1000th
13 sample that is directed, the so-called S sample and why
14 they're called D and S, that's the code that's used in the
15 records for a vehicle in this category. I will use the D
16 sample that was drawn between January 1, 2002, and the end
17 of 2005. I have six years of records, I'm using the last
18 four, in part because I'd like to look at what happened
19 before to that same car before it was a D, looking at some
20 of the history, and so I need to reserve the first two years
21 of this for that reason. I'm also excluding any vehicles
22 that were tested in the Bay Area because of the change in
23 program there and a lot of the comparison between test-only,
24 Gold Shield, and so forth, so it's complicated enough as it
25 is, I'll take those out. I've also taken out any of the

1 vehicles where there was a D sample and I couldn't classify
2 the testing shop among Gold Shield and so on. I have a
3 record base of the characteristics of the shop, their
4 locations, and so forth, and much to my chagrin, it turns
5 out that there are quite a few shops that I don't have
6 information on. I think they are ones that the license has
7 gone away or there was change, or something like that.
8 Clearly we need to find out about what's happened to some of
9 these shops. I know Emily Wimberger convinced you all that
10 we should be looking at characteristics like whether it's
11 part of a chain and so on. I'm not able to do that yet.
12 We've put in information requests about these licensees so
13 that I can do that analysis, but it hasn't come in yet. So,
14 we may have to revisit this. Several thousand vehicles have
15 been lost by this lack of classification, unfortunately.
16 I've also put on the restriction that an ASM test had to be
17 used, that's another complication, if we tried to talk about
18 the more heavy trucks or something, but not too many of
19 those disappeared that way. And this is so we can compare
20 the same things. In the end, I have 25,013 vehicles that
21 we'll be following. For those, most of them, all but 600, I
22 have the previous test history, and for some of them I have
23 what happened later. If the test was done in December 2005,
24 I obviously don't have what's later, so what will be called
25 the subsequent cycle are basically the D sample that was

1 drawn between 2002 and 2003. Okay, everybody with me?
2 Before we go any further, what questions might we answer
3 with this? Well, here's one. The D sample is not directed
4 at all. The people don't know they're a D sample. It's not
5 on their registration material and so forth. They can
6 choose any place to go, test-only, test-and-repair, Gold
7 Shield, so a very interesting statistic will be how many
8 choose to go to test-only when they don't have to. The
9 volunteers we talk about. And then, we'll look at what
10 happens when they go to a particular shop. What's the
11 difference in the fail rates and so on and is there some
12 characteristic of the cars that are choosing different
13 places, or choosing the fails. So there are many things we
14 can look at here, but there's a further thing that I bet you
15 haven't thought about, which is that if I track the same
16 vehicle, I can see what the choice does to next the time.
17 And that's what I'm particularly interested in us following.
18 Mr. Pearman?

19 MEMBER PEARMAN: Yes, I thought you said before that in the D -
20 they were in the D classification before they were
21 classified as a HEP, which I thought then meant some of them
22 actually were then directed to test-only from that, so I
23 guess that's not the case.

24 MEMBER WILLIAMS: No, they're not - in HEP, the .1 percent and
25 the 1.9 percent are taken off the top and then HEP is run on

1 the remainder. And we're going to look at some of these
2 classifications. They're quite important. Perhaps some of
3 these things can be clarified by my next slide, which gives
4 a representative vehicle, and I want to get some of the
5 terminology that I'm using, because I think the words may
6 cause more confusion than not. But, we're able to look at
7 some very important questions with this data set, I believe.
8 It's 1/1000th of the vehicles, so it's a sample, but
9 supposedly it's a random sample. Let me give you an example
10 here of one vehicle where I have five records over the six
11 years, and we can see a little bit about it. There are
12 actually what I would call three test cycles. There's three
13 biennial tests being conducted on this vehicle. Look at the
14 dates, which is in the middle part of these test records.
15 This vehicle owner has the registration due on the 28th of
16 November and, unlike some 87 VW Golf owners that we've
17 studied, this person did these tests before the registration
18 was due, 10 days or so, right? What I'm calling three test
19 cycles in that the test done in 2001, the vehicle passed
20 straight out. Then in 2003, on the 18th of November, there
21 was a fail, which is the right most column, that's the
22 overall failure. We could look into why the car failed. I
23 have that information. We'll be looking at that. This car
24 then passed and it passed at the same station less than an
25 hour later. I doubt there was a major engine overhaul or

1 anything like that in that time, and that particular station
2 was a Chevron station in La Jolla. Two years later, the car
3 was directed. Under the column, where we have BDDPP - I'm
4 going to come back, these are crucial codes. P stands in
5 that column for directed. They've already used D and D - I
6 don't know why that letter was picked, but D is this
7 indication of the random sample. And P in the next column
8 over means pass. There are only so many letters, right?
9 And notice that in the third cycle, there was an initial
10 failure at a test-only station, which is TB203710, that's
11 Southern Cal Smog in San Diego, and the T indicates a test-
12 only. The first test, the one in 2001, was done at
13 RG161757, I know that it's an R and that means test-and-
14 repair, but my records show nothing more about that
15 particular station. I have to find out, we must know
16 somewhere what 161757 was. So, here's a vehicle that failed
17 in the D cycle, and an hour later was passed at the same
18 station, so I can look at the time and the dispensation of
19 the failures, if you will. We're going to look at that.
20 Important in this concept of a cycle is the first test in
21 the cycle, which is the row that has the D in italics here.
22 Many of the statistics we've talked about and what BAR looks
23 at in particular is the first test in a cycle of tests, in
24 this case it's a fail. Now, there is some confusion about
25 this, but I think I've overcome it in these instances. What

1 if that were a pre-test? A pre-test has a Q where the
2 italic D would be, there would be a Q for pre-test. I
3 identify this as a D cycle because the following pass is a D
4 and I go back and count the Q in that cycle. Those Qs are
5 very interesting, as we'll see. If I find a D anywhere in
6 the cycle, it's a D cycle. And I'm looking at the first D
7 cycle of any that I find, right? There's a possibility that
8 there's a subsequent - the draw again two years later could
9 be a D again. I'm looking at the first cycle that's a D
10 provided it came 2002 or later. It's possible in part of a
11 cycle there's an aborted test in D before the D result. I'm
12 going to keep track of that, too. So what if that morning
13 of the 18th of November in 2003 at 9:57 there was an aborted
14 test, that would be an A in the right most column. I can
15 keep track of that, too. Does everybody understand what I
16 mean by cycle and the Ds and so forth. So we can follow
17 these vehicles, 25,013, follow like this and in some cases,
18 all I have is that one D cycle and some I don't have the
19 history, and some I don't have the subsequent, and some I
20 never have a pass. The D was a failure, and that's the last
21 it's seen. Okay. Let's now look at some of the first
22 results. So, the first test in the cycle, 14.3 percent of
23 the vehicles failed, which is about the average number for
24 failures across all the vehicles subject to Smog Check.
25 That's 3,590 are failures. Now, here's the first surprising

1 statistic - surprising to me anyway - 41.8 percent of the
2 sample D had this first test at a test-only shop. These are
3 all volunteers. That's a very high volunteer rate. Of
4 those tested at test-only shops, 15.7 percent failed. Of
5 those tested at test-and-repair shops, 13.4 percent failed.
6 Now are these big differences? Well, let's put them in the
7 context that say in 2003, of all first tests done at test-
8 only, 20.4 percent were failures and at test-and-repair
9 shops, 10.4 percent were failures. The difference is still
10 there, but it's smaller because the test-only tests include
11 all the directed vehicles and those are the ones supposedly
12 more likely to fail. Nevertheless, there's still a
13 difference and it's this key difference for us to try to
14 understand and to explain.

15 CHAIR WEISSER: What's the margin of error with a sample this
16 size?

17 MEMBER WILLIAMS: It's statistically significant. But -

18 CHAIR WEISSER: What's the margin of error?

19 MEMBER WILLIAMS: Oh, I didn't compute that. I'm going to show
20 you later some of those things, but not right now. Because
21 I would argue straight out, this is only the number we
22 should conclude if we believe that the choice to go to test-
23 only was random.

24 CHAIR WEISSER: Oh, okay.

25 MEMBER WILLIAMS: Let me say that this is really crucial and

1 let's almost put it in the context of a typical controlled
2 experiment. There's some rats and we think that if they eat
3 this certain thing, they'll live longer or they'll pass some
4 test or not, right? Now these rats get the drug and these
5 other rats don't. In that experiment, we can control if the
6 rat gets the drug or the rat chooses the drug, right? We
7 also control - we can feel comfortable that the decision
8 whether the rat lived longer or not is not the researcher's
9 own decision, right? Now in our test-only versus test-and-
10 repair experiment, the rats, meaning the vehicle owners -
11 this metaphor doesn't work perfectly, but it's only a
12 metaphor - can choose where they go. It's like the rat is
13 given two bowls of food and for some reason chooses the one
14 that smells better, but that's the one with the drug in it.
15 There's that possibility that there's self-selection. It's
16 also possible that the person, the human, weighing the rat
17 and checking on it's health decides that it's a good rat or
18 not and so forth and something like the technician deciding
19 how to conduct the test. Only if none of that is happening,
20 can we interpret this result straight off. I'm making fun
21 about it being rats and so forth, but frankly this is one of
22 the deepest issues in social science about that humans make
23 choices. And let's give a good example of that. People go
24 to - teenagers go to Catholic schools. There's a higher
25 graduation rate from Catholic schools than public schools.

1 Is that because of the Catholic school or because of the
2 choice to go to the Catholic school made by the parents, and
3 some characteristics of the child. And that's a very hard
4 question to answer, precisely because of what we might call
5 the self-selection. And if you think it's hard to talk
6 about Smog Check policy, I think we all agree that that
7 question about whether Catholic schools make a better
8 education is a very controversial one, precisely because
9 it's so hard to control for the choice the humans have made.
10 It would be easier if we were rats. So, what I want to do
11 now is try to control for some of that, but also to look at
12 some of the underlying statistics a little bit more. We may
13 understand what choices are being made. So, let me - for a
14 few slides now, I want to look at some of the consequences
15 of the choices from which we might infer why the choices
16 have been made, and then I'll try to control for some of the
17 choices. I think some of these statistics will also be
18 intrinsically interesting. Here are fail rates by type of
19 shop. And I'm able to break down test-only, Gold Shield,
20 and you've heard me before say I think dealers are a
21 different category, and then all other test-and-repairs,
22 which are the majority of the shops and the majority of the
23 vehicles tested are in this other category. If I could
24 separate out chains and so forth, I would do that.
25 Something different is happening at dealers, isn't it, if

1 the fail rate is only 6.6 percent. Fail reasons by type of
2 shop, test-only had 1,644 of the fails and 7.2 percent of
3 those fails were registered as tampered. Gold Shield a
4 little lower, dealers and other test-and-repairs lower
5 still. Roger was telling me this morning that tamper, the
6 code, is partly the judgment of the technician or the
7 technician could fix a simple thing right away, and it's not
8 tampered, it still may fail. And so maybe the technician
9 behavior is influencing these numbers.

10 CHAIR WEISSER: Excuse me, before you move on, could you, for
11 these purposes, define tampered a little bit more?

12 MEMBER WILLIAMS: Well -

13 MEMBER NICKEY: The example I thought about after we talked, a
14 really good one, is the thermostatic air cleaner heat tube.
15 That's the aluminum foil tube on older cars that go from the
16 air cleaner snorkel down to the exhaust manifold to bring
17 warm air in at warm-up. You open the hood and it's gone.
18 At that point, you have to make a decision. Did the
19 customer take it off and throw it away? That's a tamper.
20 Did it fall off through whatever? That's just a straight
21 fail and not a tamper. If you conclude that the customer
22 took it off and threw it away and it's a tamper, then
23 customer's not eligible for CAP or anything else and it goes
24 out at a tamper, but if it just - if you conclude that it
25 fell off, then it's just a straight fail. So that's the

1 same situation, two different reasons, depending on what the
2 technician thinks about it. And that follows on to many,
3 many different things. You see a disconnected device, you
4 have to go, did that fall off or did the customer disconnect
5 it? If it's golf tee on the end of it, more than likely the
6 customer disconnected it. If it's just laying there, you
7 don't know. So, it's very subjective.

8 MEMBER WILLIAMS: The car has failed in any case, but for
9 slightly different reasons. Here are some other reasons
10 that could be among the classification of failures. Now,
11 there could be some double-counting here. I'm just trying
12 to suggest that there could be differences by type of shop,
13 so the percentage of the fails where the visual part of the
14 test was a failure seems to differ by type of shop, but in a
15 slightly different pattern than on the tampers. The percent
16 of fails that are the malfunction indicator light was on and
17 the OBD system is a little different, but more constant than
18 not. I call this test styles. How many were pretests, so
19 that's the Q code. Not very many at test-only and where
20 they happen are dealers and other test-and-repair. And
21 likewise, those shops tend to have a lot of the aborts. I
22 don't know why, it just is happening. And the differences
23 here make me suggest that there is some human behavior going
24 on so it's not a pure experiment. Now, this should be a
25 particularly interesting slide. What happened to the

1 vehicles that failed the first test? How many do we not see
2 again? In the case of the Camry, it just stops with the
3 line that's in italic D. Test-only 20.3 percent we never
4 see again, also Gold Shield. Dealers and other test-and-
5 repairs look different, more of the cars are repaired. How
6 long the repair lasts is another question, but they are
7 repaired. Overall, about one-sixth of the vehicles that
8 failed aren't ever repaired. I was studying those 87 Golfs
9 you recall and said that was a very big effect. There's
10 instant retirement on this. I haven't had the time in the
11 last few days to do what I need to do and get all the
12 vehicle identification numbers of these cars that weren't
13 retested and find out if DMV knows that they officially
14 retired, but I plan to do that. Let's suppose that all
15 officially retired. This is a very large effect of those
16 initial tests, those first tests, is causing retirement.
17 And that's why I asked Mr. Sullivan earlier so there appears
18 to be a difference. If we take Gold Shield as the better
19 stations, then their fails are going to hospice care more
20 often than some of the others, but then again, there may be
21 a different age composition to these tests. Let's look at
22 the other columns. How many of the passes that occurred -
23 the next columns are about passes, not about the never
24 passed. How many occur within 24 hours? That Camry we
25 looked at occurred within an hour. So, it is registered as,

1 in this column, the row for other test-and-repair, as one
2 example there and you see that at the dealers, they fix them
3 pretty quickly, don't they. Or something. I've also asked
4 if the pass occurred at the same shop that the fail occurred
5 at. And you see the differences there, too. In a way, we
6 should account for the ones that are never passed are in
7 that category, too. I haven't adjusted for the given that
8 it's passed. But, you see there are differences by shop.
9 Part of why we are getting differences by the category of
10 shop may have to do with the inherently different fleets
11 that each category is getting, and this would be true not
12 just with the category of test-and-repair, or test-only or
13 dealer or Gold Shield, but among those. Here, I'm just
14 trying to establish that there appears to be fundamentally
15 different patterns of cars that are going to the dealers
16 versus test-only. I think this is the most extreme example.
17 And what I have here is the number of vehicles tested,
18 standardized for the total amount of testing, and so only if
19 these two frequency distributions look similar can we say
20 that there isn't an effect of self-selection going on here.
21 People with older cars are disproportionately choosing to go
22 to test-only versus to dealers. It makes sense, but part of
23 the difference in the pass rates at various dealers versus
24 test-only may be due to the composition of the fleet that
25 they're testing. And notice that if I look just at the fail

1 rate for eight-year-olds tested at either one, it's much
2 closer that dealer versus test-only overall, which was the
3 widest category.

4 MEMBER NICKEY: Just a comment on that one. In most cases, the
5 going rate for a Smog Check at a dealership is about double
6 what it is for everything else. That's part of the process
7 of the decision.

8 MEMBER WILLIAMS: Yes, and why anybody's picking a dealer, I
9 don't know, but they are and they're self-selecting on it.
10 The rat's choosing something. So, now I want to see if
11 those choices are really effecting our estimates in the
12 difference in the overall pass rates by these categories.
13 So, to go back to the main thing we want to look at here,
14 are the fail rates different by the type of broad category
15 of shop, so this is the difference compared to test-only.
16 Gold Shield is the least now and dealer looks the most. Is
17 this due to the composition of the vehicles being tested, or
18 possibly to the style of the test being done there. And I'm
19 now going to go through a series of adjustments (tape ends)
20 influences. The first one is simply to control for the age
21 of the vehicle. For those of you who are of the statistical
22 mind and vocabulary, I'm running a regression of whether the
23 car failed as a function of where it was tested and its age.
24 And when I control for age, the differences among the four
25 categories of where the vehicle is tested are more muted,

1 but they're still partly there. Well, probably this depends
2 more on age, and so I control for many, many other variables
3 here. I control for the mileage is recorded. What I mean
4 by type was it a passenger car, and SUV, a truck. There are
5 various categories in the data themselves. Manufacturer,
6 Honda, Nissan, Toyota, VW, I have 15 different categories.
7 Some that have very few vehicles I lumped into a
8 miscellaneous one, like Fiat and Saab. There are so few
9 vehicles I can't distinguish them. I also asked, is there a
10 vanity plate? People might do repairs differently. The
11 engine size, all the observable characteristics that are
12 recorded in the data, I controlled for those, and these are
13 then the effects of where the test is done. Dealer is
14 closer to test-only than it used to be. Notice the positive
15 sign on Gold Shield. It's saying, if we take this
16 literally, then all else equal, Gold Shield is more likely
17 to fail a car of a particular age and so on. Actually, it
18 looks like they're indistinguishable. I also tried to add
19 another set of variables to control for what I call the
20 style and place of the test. The style is whether it was
21 preceded by an abort, whether this was a Q test, and so on.
22 That didn't affect my overall results very much. And so
23 then I proceeded to what I thought would make a big
24 difference, what happened in the previous test cycle? Which
25 is did it fail in the previous test cycle? We're going to

1 look at some of these specific variables. Right now, I just
2 want you to look at does it appear to affect the difference
3 among the four categories, which is of interest to us. And
4 here for first time, I've put the statistical significance
5 of these things, because this is controlling for the most
6 variables I can directly, I think is probably the most
7 accurate measure. At least of the ones I've shown. And so
8 this is the one I'd like to say is statistically
9 significant. For those of who aren't natural statisticians,
10 this T-stat is often the one that is used to measure these
11 things and by conventional measures of statistical
12 significance, it is a T-stat of plus or minus two is viewed
13 as statistically significant, which is, in this case, are
14 these differences more apparent than are real or could we
15 have another 25,000 cars where we'd get a slightly different
16 result, but still close. These results as interpreted this
17 way are suggesting that Gold Shield and test-only are
18 effectively indistinguishable. And there remains a
19 difference between test-only and Gold Shield and the dealers
20 and the other test-and-repairs. Dealers especially, right?
21 Now, I haven't controlled for every possible thing, and some
22 of you can come up with some other ideas of things I should
23 control for, and it may effect these results, but it's clear
24 that the differences among these classifications of stations
25 are smaller the more we control for. All right. Everybody

1 with me?

2 MEMBER PEARMAN: One question.

3 MEMBER WILLIAMS: Yes.

4 MEMBER PEARMAN: Just on this also controlling for previous test
5 cycle, again the - in previous test cycle they failed or
6 you're just equating that?

7 MEMBER WILLIAMS: Well, I'm giving a lot of the information on
8 that. We're going to look at the specific results for those
9 variables in just a moment.

10 MEMBER PEARMAN: All right.

11 MEMBER WILLIAMS: In fact, it's intrinsically interesting to
12 look at what we're saying these control variables do to the
13 failure rate.

14 MALE: So, any T stat over two -

15 MEMBER WILLIAMS: Or below minus two is, as by conventional
16 test. I'll say though that this is a sample size of 25,000
17 cars and T stats in some sense basically measure how big the
18 sample size is. That's a lot of rats, and most experiments
19 with rats are a couple hundred. And I would say you need
20 even bigger T stats given this sample size to be comfortable
21 with the results. We are explaining very little of why a
22 car failed versus passed with any of these variables.

23 MALE: Because it's better to be as subjective as a cracked
24 hose, or if (unclear) fell off.

25 MEMBER WILLIAMS: Yes, and that's a very good point. We're

1 calling them failures, so I've made it a zero-one variable
2 where really I ought to be taking all the information about
3 the extent of the failure into account. Another project.
4 Let's look at a few of these other control variables just to
5 give you a flavor. There are many more that I'm not showing
6 you. The first one is the age of the vehicle and this is
7 saying that for an additional year of age, the failure rate
8 increases by 1.1 percent. The mean failure rate was 14.3
9 and so another year adds 1.1 and this appears to be among
10 the affects we can measure, a fairly strong one measured by
11 the T stat. For a car of that same age, if it has been
12 driven another 10,000 miles, it increases the failure rate
13 by .7 percent. Older cars that have been driven more fail
14 more. That fits with what we believe. Certain
15 characteristics that -

16 CHAIR WEISSER: Let me interject again. On this T stat, I
17 thought you said that it became - these numbers were
18 significant between plus two and minus two. So are you
19 suggesting then the one-year older and the 10,000 more miles
20 are not significant -

21 MEMBER WILLIAMS: Over two.

22 CHAIR WEISSER: Thank you.

23 MEMBER WILLIAMS: They're hugely significant.

24 CHAIR WEISSER: Oh, over two or under two.

25 MEMBER WILLIAMS: But, I'm also trying to draw a point that

1 statistical significance alone is difficult to interpret.
2 We have to see if the effect seems important. If we had
3 250,000 rats, we would have much more statistical
4 significance, but the differences we're measuring might be
5 so unimportant. Are these big differences? Well, I think
6 for age probably, because a 10-year, and more years, is
7 doubling the likely to failure, is it that it's a heavy van,
8 which is this category T-5, like Ford Arrowstars or
9 something.

10 CHAIR WEISSER: Yes.

11 MEMBER WILLIAMS: A little bit more, but that's sort of at the
12 edge of statistical significance, maybe not. I've said I
13 put in all of these different manufacturers. This is just
14 the average failure rate for these manufacturers. It might
15 be that they interact. Toyotas are less likely to fail, all
16 else equal, as they age relative to other cars. I haven't
17 tried that, that's another thing to do. I have 15 of these
18 I could show you. I just picked out a few as
19 representative. VW is 6.5 percent more likely to fail given
20 its age and mileage compared to a control group of Fiats and
21 Jaguar and so forth. I confess I'm a little discouraged to
22 think that a VW is even more likely to fail than a fix-it-
23 again Tony, but I guess that's what these results say. We
24 could look at all the other cars, too, but I think more
25 interesting is to look at some of these other control

1 variables. If it is preceded by an abort, there is a 2.9
2 percent greater chance that then the test that is done is a
3 fail.

4 CHAIR WEISSER: I'm surprised at that.

5 MEMBER WILLIAMS: But the real thing is, if a pretest has been
6 done, it is much more likely that that test will be a fail.
7 The pretest is where I'm measuring the fail, but pretests
8 hold in constant the age, miles, and manufacturer of the car
9 are very likely to be a fail. I'm not saying the pretest
10 causes the fail. I'm saying some human decisions, whether
11 by the owner of the vehicle or by the technician, decided
12 that it better be a pretest, because they had a premonition
13 that it was going to be a fail. And so we were seeing a lot
14 of the cars that were pre-tested are different by station.
15 There's some self-selection going on at a very deep level.
16 I included another variable, which is whether the station
17 doing the testing was in the South Coast Air Quality
18 Management District. What should I be expecting that this
19 variable shows? If it shows that there is an effect, we've
20 got to really worry that there's a deep sample selection
21 going on and I'm relieved to see that the failure rate was
22 unaffected by whether it was South Coast or the other Air
23 Quality Management districts that are in the enhanced area.
24 The ones I really wanted to look at though were the tests
25 history. So this is, does it fail in the D cycle depending

1 upon what happened two years before. Well, the two years
2 before can include a biennial test of the standard sort, or
3 that it was a change of ownership or an initial
4 registration, which is out of state, effectively. So, here
5 are various categories. While there is directed to test-
6 only two years ago, is it more likely to fail now? Less
7 likely to fail, that's what that sign says. Was it a
8 volunteer to test-only two years ago, it's less likely to
9 fail in the current D cycle. But if it failed two years
10 ago, it's double the probability of failure today. But if
11 it was at the same shop both times, two years apart, it's a
12 little less likely to fail. The dominant variable here is
13 past failure, not where it was, but that it was a fail,
14 predicts current fail.

15 MEMBER KRACOV: So that tells you something both about the
16 durability of the repairs and just the fact that older cars
17 are going to fall apart and fail more often, or some cars.

18 MEMBER WILLIAMS: Now, I've already controlled for the effect of
19 age, so that the car was already in trouble, it's going to
20 continue to be in trouble.

21 MEMBER KRACOV: It's going to continue to be in trouble.

22 MEMBER WILLIAMS: Okay? Let me pause and make another comment.

23 This regression that I've run, the statistical connection,
24 is yes/no on failure is a function of a bunch of variables,
25 including the test. I've put in a lot of the

1 characteristics of the vehicle, not every conceivable one,
2 not down to the level of the model, but a lot of the
3 characteristics. That's essentially HEP. I'm fitting HEP
4 model, a high emitter profile. I'm telling you who's likely
5 to fail based on car characteristics. We have never really
6 seen inside HEP. I'm worried that HEP doesn't explain very
7 much. I'm not explaining why an individual car fails very
8 well. Maybe if I got down to the model specific
9 characteristics I would. But, I had all these other
10 variables and it doesn't explain much. Some cars fail, some
11 cars don't. Why? It's hard to tell. It makes me think we
12 really want to look at what's the black box called HEP. HEP
13 simply is fit to the existing records, just like I have,
14 whether a car failed or not based on its model types and so
15 forth. That's essentially what I'm doing here. I'm taking
16 out and emphasizing some other variables, which is where the
17 test was done, but I'm basically creating HEP.

18 MEMBER KRACOV: But didn't you find some things that did pop
19 out, like every year older, 10,000 more miles, failures the
20 last time around?

21 MEMBER WILLIAMS: Yes, those are there, but the effect is not so
22 strong that I can tell you that if a car is 15 years old, it
23 is certain to fail. It increases the probability, but not
24 to where I can really predict perfectly, and that's
25 important for us to understand. Now, let me take a slightly

1 different cut at this, but it's one that is exploiting that
2 there are a series of human decisions going on. We've
3 looked at the D test, whether it's pass or fail, so
4 explaining that pass or fail is a function of things. Well,
5 I'm saying that might have been partly influenced by the
6 decision to choose a test-only shop versus a dealer anyway,
7 right? That argument is basically that the things that
8 might explain failure are also explaining the decision about
9 where to go to have the car tested. Oops, can you - I've
10 got to go backwards. Can we explain why someone chooses to
11 go to test-only versus the other categories, so this
12 precedes the test, where was it done. Is that related to
13 any of the observable characteristics, so I asked is it a
14 function of the age of the car, the mileage of the car, all
15 the other things I've done. And I find that I can explain
16 that choice about as well as I can explain whether or not
17 the car failed once it made that choice. But I can't
18 explain part of that choice, which means from a statistical
19 sense, analogous with the other example I was using, that
20 the parents of the children that go to Catholic high schools
21 have some special characteristics, they're not a random
22 sample, and so maybe why the child graduated from high
23 school is a function of those characteristics. That's going
24 on here, because the choice of which shop to go to is a
25 function of the characteristics of the vehicle. The same

1 variables I looked at for pass or fail explain that here,
2 including the selection of the history of those. So, I'm
3 trying to explain why did someone choose a test-only
4 facility in the D cycle is very strongly related to whether
5 somebody chose to volunteer to a test-only two years before.
6 What we're probably picking up here is people stay with the
7 same shop, right?

8 MR. RICE: I have a slightly different slant on it. Test-only
9 is very competitive and they tend to advertise more and
10 offer more coupons so the customer is more likely to pick up
11 the Penny Saver or look in his mailbox and find a coupon for
12 a Smog Check. Now, if he's not used to going to a repair
13 shop every six months or eight months or one year, he's
14 going to say, gee, I need a Smog Check, and here's a coupon,
15 I'll give this guy a call. So that's part of it. Another
16 part of it is just straight up convenience. Most of them
17 can drive in, get a test, and get out of there without
18 having to be referred for an appointment or spend two hours
19 sitting there. Those are some of the things that I see when
20 people choose me over any place else.

21 MEMBER WILLIAMS: I'm sure that's true and I think that's partly
22 what I'm picking up here. My broader point is, if people
23 are making choices based on those things, then the straight-
24 forward comparison of the pass rate at test-only versus
25 test-and-repair has to control for that choice as much as

1 possible.

2 MALE: Say it again.

3 MEMBER WILLIAMS: Because people are choosing to go to test-only
4 versus test-and-repair based on price, convenience, and the
5 characteristics of their car, then the pass rate, which is a
6 function of all those variables, will be influenced by that
7 choice. We can control for it, I'm trying to, but with this
8 I'm trying to emphasize that choice is not random. And only
9 if that choice is random is the interpretation of sample D
10 straight forward.

11 MR. RICE: Well, I don't think that whether you're - cars more
12 likely to fail would pick one or the other or cars less
13 likely to fail would pick one or the other because the
14 customer doesn't really know that, so I think you're getting
15 a more homogenous -

16 CHAIR WEISSER: If that were true, you wouldn't have these
17 differences in behavior. Something is motivating a
18 statistically significant difference in behavior.

19 MEMBER KRACOV: But that may not have a direct impact on failure
20 or passes, necessarily.

21 MR. RICE: Yes, it was picked for a reason other than is it
22 going to pass or fail.

23 MEMBER WILLIAMS: I want to emphasize, I'm not -

24 CHAIR WEISSER: That's an unknown.

25 MEMBER WILLIAMS: I'm not explaining that choice very well.

1 CHAIR WEISSER: Because we don't know.

2 MEMBER WILLIAMS: Because we don't know. I think an implication
3 is we would like to know about why people choose particular
4 shops more because it would help us, not so much from the
5 consumer side, which is a good reason to learn it -

6 CHAIR WEISSER: But just from the data side.

7 MEMBER WILLIAMS: - but it would help us to interpret why the
8 pass rates are different. Okay.

9 CHAIR WEISSER: Okay, I'll wait, but - I'll write my question
10 down.

11 MEMBER WILLIAMS: Now, I'm going to go through a series of, so
12 what does the test result in the D cycle and where it was
13 done, does that have anything to do with the decision not to
14 retest after the fail. Are these same variables explaining
15 why the car is put in hospice car, so junked.

16 CHAIR WEISSER: You think junked.

17 MEMBER WILLIAMS: Yes, I think junked. That's why I put junked
18 in.

19 CHAIR WEISSER: Okay.

20 MEMBER WILLIAMS: All that's happening is I don't see in the
21 data a pass after that fail and why that's happening, I
22 don't know. I'm using the same variables to explain this
23 again, I can associate these variables with the junk
24 decision, not strongly, but some. All of these decisions
25 then, seem to be connected, but not incredibly strongly.

1 Again, the older cars are the ones that are junked. The
2 ones with more miles are the ones that are junked. The VWs
3 are the ones that are junked. But we already know that from
4 other research.

5 MR. RICE: We have the ability to follow these vehicles. Why
6 can't we pick 20 of them and see what happened to them. If
7 you have to send somebody out to knock on a door, then let's
8 find out. It's a big mystery.

9 MEMBER WILLIAMS: Yes, I agree. I followed all those VWs in a
10 lot more detail. Potentially, I could do that with all
11 these cars. I'm just showing you I think this matters a
12 lot. And I also want to emphasize a sixth of the cars
13 disappeared right away and I think that's an effect of the
14 testing procedures themselves. That's part of Smog Check.
15 I don't think the Smog Check program gets much credit for
16 immediate retirements and it's happening a lot. And I think
17 we ought to look at giving Smog Check that credit. It's not
18 the repairs that are done, the car was junked.

19 MR. RICE: I saw a presentation made to this Committee probably
20 four years ago where they had tracked vehicles and they were
21 - they had the test and everything was at its highest level,
22 and then things deteriorate, deteriorate, deteriorate, until
23 right before the next test, and then they get everything
24 fixed and go in and have the test. So the - what I call the
25 big stick of Smog Check has a lot more effect on the fleet,

1 just because I have a test coming up, I better go get
2 something done about.

3 CHAIR WEISSER: I think that's actually built into the amount of
4 emission reductions that are credited to Smog Check in the
5 attainment plan.

6 MR. RICE: Do you think that's accounted for?

7 CHAIR WEISSER: Yes.

8 MR. RICE: I just would wonder how -

9 MEMBER WILLIAMS: I don't think these retirements are directed -

10 CHAIR WEISSER: No, I don't think the retirements are. I think
11 the performance of the car is cycled like this through the
12 test cycle, the two-year test cycle. Or, I guess I should
13 go like that. But I don't think retirements are - that's a
14 terrific question.

15 MEMBER WILLIAMS: And if there's only one or two retirements,
16 we wouldn't care. There are a lot of retirements.

17 MEMBER DECOTA: Fifteen percent is a lot.

18 MEMBER WILLIAMS: Almost instantly, right?

19 CHAIR WEISSER: Where's the 15 percent again?

20 MEMBER DECOTA: It's 580 vehicles at 15 percent on Page 11.

21 MEMBER WILLIAMS: There were 3,472 vehicles for which I had a
22 history, so I'm now -

23 CHAIR WEISSER: Right.

24 MEMBER WILLIAMS: 580 of those -

25 CHAIR WEISSER: Weren't retested -

1 MEMBER WILLIAMS: Weren't retested -

2 CHAIR WEISSER: - within 90 days and we assume that that's due
3 to retirement or non-operation or -

4 MEMBER WILLIAMS: And I can check that in the DMV data if life
5 has been short.

6 CHAIR WEISSER: Yes.

7 MEMBER WILLIAMS: And so here now are crucial things. Did the
8 way the test was done cause people to say, time to retire.
9 I was guessing - I don't know why that one number is off in
10 another column - I was guessing that if you had tampered
11 with it and you knew you had just been caught, you were
12 likely to say, okay, the game's up, time to retire this car.
13 In fact, you are less likely to junk the car. But if you
14 had a visual failure or more, is there an effect of who did
15 the test? Maybe, this is compared from test-only compared
16 to the other - if you're in this category of other test-and-
17 repairs seem very less likely to junk it, I think you
18 already made a decision to take it to La Jolla Chevron
19 thinking you were going to keep the car, possibly. But look
20 at what, if anything, the dominant effect here is if you had
21 a pretest, are you more likely to junk it - you're less
22 likely to junk it. That's amazing right?

23 CHAIR WEISSER: That makes no sense at all.

24 MEMBER KRACOV: Solve that with the earlier -

25 MEMBER WILLIAMS: You're much more likely to fail, but you

1 don't, and you go ahead and repair the car. I think you
2 know something's wrong and you decided already that you're
3 going to keep the car. Otherwise, you wouldn't care if it
4 just failed.

5 MR. RICE: Well, something to follow is - and I get the comment
6 quite often, you know, I've tested this thing, it failed, we
7 had it repaired, it still won't pass, I'm going to donate
8 it. So the next question would be if they did donate it,
9 what happened to it after it was donated? Most of those
10 donation places say if it won't pass smog, we're just going
11 to take it to the wrecking yard and sell it for scrap.

12 MEMBER WILLIAMS: So, those should be interesting observations
13 and I haven't tried to look at those. What if there are
14 multiple fails? I've just said there was one fail, but
15 there could be some here with three or four failures in a
16 row and then those are definitely junked. All of these are
17 among the failures, right. I'll look at that one. Let's
18 now ask, did your previous test history make you decide to
19 junk it right now. You had a failure two years ago, you
20 slapped on a catalytic converter and barely passed. You
21 know you need a major engine overhaul and you failed again.
22 Time to donate it, right? I find that if you failed before,
23 there is a slight increase in the junk rate, but not much.
24 I thought there would be a big effect there. It seems
25 rather that if you're sort of new to the system, you came

1 from out of state, so that's initial registration, you're
2 more likely to junk it now.

3 CHAIR WEISSER: I don't understand. It's not - you say it's a
4 change in the junk rate. The -

5 MEMBER WILLIAMS: So, you're more likely to junk the current car
6 that failed if two years ago it came in from out of state.

7 CHAIR WEISSER: Okay.

8 MR. RICE: How did you determine they were junked?

9 MEMBER WILLIAMS: There was no further test.

10 MR. RICE: Oh, so we're assuming that if it wasn't tested again,
11 it was junked. It might have gone back to the state of
12 origin.

13 MEMBER WILLIAMS: It might have, it might have done all that,
14 right?

15 MR. RICE: Yes.

16 MEMBER WILLIAMS: That's why I'm using junk.

17 MR. RICE: Okay.

18 MEMBER WILLIAMS: Something special is happening to this
19 vehicle, in that it wasn't tested again and passed. But all
20 these examples we're coming up with are unfortunately under
21 the category of human choice and behavior and I said it was
22 complicated. I think humans should have choice, but it's
23 hard for us to infer what's happening because humans have
24 made choices. As a social scientist, I think that that's
25 what makes social sciences interesting.

1 CHAIR WEISSER: Now, the figures with the T stat between two and
2 minus two, you're saying you really can't take that -

3 MEMBER WILLIAMS: You can't really tell.

4 CHAIR WEISSER: So they direct it to T.O. versus volunteer to
5 T.O., which has a 250 percent difference.

6 MEMBER WILLIAMS: Yes.

7 CHAIR WEISSER: That number is big, but the probability of it
8 really meaning anything is minor.

9 MEMBER WILLIAMS: Yes.

10 CHAIR WEISSER: Okay.

11 MEMBER WILLIAMS: All right. Let's look at another choice that
12 humans make which is the car passed, first having failed or
13 just passed, in the sample D and we fast-forward to two
14 years for those vehicles that I can look at because of the
15 timeframe and those are 11,610 vehicles I could notice that
16 they were retested a second cycle or a third cycle if we
17 count three, so the Camry I was looking at, these are the
18 2005 tests done on that Camry. The Camry is in one of these
19 11,610 vehicles. Of those vehicles, 19.4 percent are not
20 tested. They've retired. Now, the question is, did the
21 test in the D cycle - you failed it - did that make you say,
22 I'm not even going to waste my time finding out what's
23 happened two years later because I know this thing won't
24 pass and I'm not going to pay for. So, if that's true, then
25 we ought to see a relationship between the decision not to

1 re-register or attempt to re-register and previous failures.

2 CHAIR WEISSER: Yes.

3 MEMBER WILLIAMS: The decision not to attempt to re-register is
4 influenced by whether the car is older. That makes sense,
5 right? Which ones are you deciding to abandon, the older
6 cars, right? I didn't need to do a lot of work to know
7 that, right? Decision not to re-register is heavily
8 influenced by whether it is a VW. You see that every day,
9 but there isn't a test on these. People give up. And now I
10 want to look at, well, was it related to what happened in
11 the D test cycle. Look at those T stats. No, I was sort of
12 hoping for yes, but no. In fact, none of these things seem
13 to matter. How about four years ago. Does that matter? If
14 the initial - if it came from out of state, again, it seems
15 that people are quicker to abandon this car, but the test
16 results of four years ago, no. That's a little confusing.
17 A final decision to look at, among this sample, then, 9,353
18 were tested in 2004/2005. How many failed?

19 CHAIR WEISSER: The same.

20 MEMBER WILLIAMS: The same, right? The same. (tape ends) And
21 what's happening is the ones that are more likely to fail
22 are disappearing, but everybody's getting older and being
23 driven more and so the failure rates stay more or less
24 constant. This is pretty amazing, isn't it?

25 CHAIR WEISSER: Well, that's actually comforting at some level.

1 MEMBER WILLIAMS: Yes, it is.

2 MEMBER KRACOV: But again, this issue about it being junked or
3 not being registered and retested doesn't mean it's not on
4 the roads.

5 MEMBER WILLIAMS: It's entirely possible.

6 MEMBER KRACOV: Parking lot studies found that there's a lot of
7 cars out there with -

8 MEMBER WILLIAMS: Out there and all that, right. And obviously
9 I need to look at these. So, what explains the failure in
10 this subsequent cycle? Older, more miles, evidently VW
11 doesn't matter any more, there can't be any left. Does some
12 characteristics of the tests being done - this is not the D
13 cycle test, but the current - the subsequent one, about
14 which it could be a change of ownership. There are a few of
15 those. Was it directed that time? None of them are
16 directed in the D cycle. Now some of them are in this other
17 and it increases the probability that the car now fails its
18 next test, but it's not statistically significant. There's
19 only one variable that seems to be statistically
20 significant. Where there was a pretest.

21 CHAIR WEISSER: But to give a pretest, isn't that just judgment?

22 MEMBER WILLIAMS: It's the choice of somebody.

23 CHAIR WEISSER: Yes.

24 MALE: I think it's natural pre-selection, I think it's going to
25 fail, so let me pretest it. I think this car's going to

1 fail so we'll do a pretest. I talk them out of it, because
2 in test-only pretest is useless, but in test-and-repair, I
3 can see it has value.

4 MEMBER WILLIAMS: But, this is that we are seeing pretest
5 matters so much is a reflection of the self-selection going
6 on. And a final thing is the effect of the sample D's test
7 style and result on the subsequent failure. So, where it
8 was done versus test-only doesn't seem to matter. If was a
9 failure, does it seem to matter? Yes, it's more likely to
10 fail the next time in about the same ratio as we found
11 before. Those things are staying constant.

12 CHAIR WEISSER: Excuse me. This is a change in fail rate? In
13 other words, under the category fail, from a previous test
14 style -

15 MEMBER WILLIAMS: Does the test in 2005 have a fail, yes, no.
16 How is the probably of that effected by what happened in
17 2003 -

18 CHAIR WEISSER: And the answer is yes.

19 MEMBER WILLIAMS: Yes, if it's a failure.

20 CHAIR WEISSER: It's increased about 15.4 percent for chances.

21 MEMBER WILLIAMS: Doubled. It's doubled because the average is
22 about 15 percent anyway, right?

23 CHAIR WEISSER: Yes.

24 MEMBER WILLIAMS: But whether that failure was where the test
25 was done before doesn't seem to have mattered too much.

1 CHAIR WEISSER: Yes, well that may be good.

2 MEMBER WILLIAMS: That may be good. All right. A final thing
3 about this test in 2005 or 2004, in the data I have are the
4 reasons for the test, as given. And 212 of them were
5 pretests, 59 change of ownerships. There are two
6 incredible statistics in here and I invite you to spot them.

7 MEMBER KRACOV: Initial test?

8 MEMBER WILLIAMS: Initial tests, good one. That's very good.
9 This initial test - wait a minute, we've been following
10 these cars for two years and now they're saying it's an
11 initial test.

12 CHAIR WEISSER: The regular biennial test -

13 MEMBER WILLIAMS: And the regular biennial? Okay, Gideon got
14 one, there's another one that's even bigger.

15 MALE: Directed?

16 MEMBER WILLIAMS: No, not -

17 CHAIR WEISSER: Okay, Professor.

18 MEMBER WILLIAMS: Okay, these are -

19 MEMBER KRACOV: This is what's known as the Socratic method.

20 MEMBER WILLIAMS: This is the Socratic method. What was the D
21 sample? It was a 1/1000th sample, so -

22 MEMBER KRACOV: So, the ones that were picked again.

23 MEMBER WILLIAMS: So they're picked again. What was the chance
24 it was picked again? It was more than a 50 percent chance
25 of being picked again. Can that be a 1/1000th sample? I

1 made this discovery last Thursday, Wednesday, and this
2 precipitated some frantic phone calls to BAR. This is not
3 random, right?

4 CHAIR WEISSER: Oh, God.

5 MEMBER WILLIAMS: Oh, my God, is what I said. Here's what I
6 learned. The programmer, ten years ago or so, said well -

7 CHAIR WEISSER: If I did it once, I could use them forever.

8 MEMBER WILLIAMS: No, no, it's fortunately not that bad. The
9 thinking was, if it's a D category, you can choose where
10 ever you want to go. D then is functionally equivalent to a
11 B biennial test. It's not directed. They didn't change the
12 code to B.

13 CHAIR WEISSER: Yes, so it just added it.

14 MEMBER WILLIAMS: Just added it. But, that means if you just do
15 a straight cross section, like all the 2005 tests, or the
16 2003s that are classified as D, some of them are the new
17 1/1000th sample, but have of them are the carryover from -

18 CHAIR WEISSER: That haven't been junked.

19 MEMBER WILLIAMS: That haven't been junked and all that, and
20 which are the ones that are those that have been carried
21 over? They're the ones that haven't been picked by HEP, and
22 HEP is picking the ones that are more likely to fail. So
23 the cross section isn't -

24 CHAIR WEISSER: The data is rotten.

25 MEMBER WILLIAMS: No, it's not rotten.

1 CHAIR WEISSER: Yes, it is.

2 MEMBER WILLIAMS: If you do in cross section, but if you pay
3 attention and look at the test histories, like I did -

4 CHAIR WEISSER: But you'd have to segregate -

5 MEMBER WILLIAMS: I had to segregate it and nobody said, why
6 didn't you use 2000 and 2001? Those would be useful data,
7 right? You let me go by and the reason I didn't is I had to
8 use those years to pick out the ones that were the Ds then,
9 to make sure they weren't double-counted in 2002. This is a
10 big thing. I'm not going to say a programmer 10 years ago
11 made a mistake. I've written a huge number of computer
12 programs here and Emily Wimberger is written other ones, too
13 and the probability that all those computer programs don't
14 have a bug in them is zero. I'm not throwing stones at
15 computer programmers. But I will notice this, what is the
16 probability that the data have been analyzed in the 10
17 years? Zero, because you'd find this mistake.

18 MEMBER PEARMAN: Just trying to understand, so you're saying
19 that the Ds include, if the Ds don't become directed but
20 then can go where ever they want, they stay as Ds in the
21 program.

22 MEMBER WILLIAMS: I took out those double Ds.

23 CHAIR WEISSER: That's why the number doubled its -

24 MEMBER WILLIAMS: No, that's why I didn't use -

25 CHAIR WEISSER: Oh, that's with 2001, that's right.

1 MEMBER WILLIAMS: Yes, that's why I didn't use 2002.

2 MEMBER PEARMAN: So each year of what BAR keeps, the 1.1 percent
3 in a year, is composed of certain new ones, so to speak and
4 some old ones, if you would.

5 MEMBER WILLIAMS: A nonrandomly selected sample. Okay, that was
6 revelation number one, I would call it. Okay, and here's
7 another one. I showed you the difference between test-only
8 and dealers. This is the age profile of all the D sample
9 vehicles.

10 CHAIR WEISSER: That's bizarre.

11 MEMBER WILLIAMS: Okay, there's another interesting fact,
12 revelation, in this. Anybody spot it? When are cars -

13 CHAIR WEISSER: Now what year is this from, 2005?

14 MEMBER WILLIAMS: Well, this is from 2002 through 2005, but
15 three of the years you're on the right track with.

16 CHAIR WEISSER: This has to do with the 5th and 6th year.

17 MEMBER WILLIAMS: Yes, when was a car first subject to Smog
18 Check when it is in 2002, it was a four-year-old car, right?
19 How many four-year-old vehicles are in the D sample? None.
20 I infer - I haven't confirmed this yet with BAR, but I think
21 what's happening is the algorithm that is used here is, you
22 must have already been subject to one Smog Check and gone
23 through it, so to be a D you have had to already had one
24 Smog Check.

25 CHAIR WEISSER: What about -

1 MEMBER WILLIAMS: And that's not a random sample of all vehicles
2 subject to Smog Check. We missed all the four-year-old
3 vehicles, or now that we're in 2005, if you're a six-year-
4 old vehicle, you're not in this sample, either. So, it's a
5 random sample of cars that have already been tested once in
6 another cycle. And what about HEP? It seems it applies the
7 same way. I have to confirm that with BAR, but I think none
8 of the cars that are in the first time through, even though
9 that we know it's a VW and very likely to fail, is not
10 subject to HEP the first round. Which means my impression
11 always that any car that was subject to biennial testing,
12 including it's very first time when it was four years old,
13 or now six years old, was run through HEP. That appears not
14 to be the case, which means HEP is even more biased towards
15 older cars and so the contrast between the cars going to
16 HEP, to test-only through HEP, versus the rest of the fleet
17 will be sharper, which is one reason why we're seeing such
18 higher failure rates. The whole story is about the sample
19 selection. This was a major revelation to me about how HEP
20 works. I'd like us to ask some more questions about HEP in
21 consequence. I've already asked for that. So, it's time to
22 conclude. I find evidence in here of considerable self-
23 selection, which means the cumulative effect of humans'
24 choices is influencing what samples we're getting and even
25 when we try to take a random sample called sample D, it

1 really isn't for a many variety of reasons. It also seems
2 that the history of the individual vehicle matters a lot,
3 probably most of all in all of this and that we ought to
4 start analyzing it more by the history of the vehicles. On
5 a more positive note, well, that's positive, it's just
6 facts, right. I think something we've really been missing
7 that this reinforces from my VW 87 Golf study that the test
8 results are influencing the immediate retirements a lot and
9 we ought to try to understand that process better and that's
10 a large effect of the Smog Check program, whatever shop is
11 doing. I'd also say, but I'm apprehensive about the sample
12 we're looking at and other things, but I'll go so far as to
13 say that controlling for the self-selection reduces the
14 apparent differences among the station types, but doesn't
15 eliminate them completely. It would seem that Gold Shield
16 stations and test-only are fairly hard to distinguish, but
17 dealers, for sure, are a very different category and I
18 cautious us that we should stop lumping always test-only
19 versus test-and-repair. There are subcategories that are
20 particularly interesting analysis. I'll stop there.

21 CHAIR WEISSER: Is the possibility - from an anecdotal
22 standpoint, new dealers - I would imagine that many people
23 who have their cars tested at new dealers are customers who
24 had those cars being maintained at a new dealer and through
25 the pattern are continuing to bring their car to the new

1 dealer after their exemption from being tested has passed.
2 Is it possible, then, that the new dealers are doing the
3 routine maintenance prior to subjecting them to the test,
4 thus getting a lower failure rate than other stations?

5 MEMBER NICKEY: I have a little different slant on that as you
6 might expect. The majority of people, at least in my sphere
7 of influence, don't go to car dealerships for Smog Check. I
8 think the Smog Checks that are being done at dealerships are
9 for their own purposes. In other words, I've got a car in
10 there that I just sold that's subject to Smog Check, send it
11 down and get a Smog Check, so people aren't coming in off
12 the street to get a Smog Check at the dealership. They're
13 being done by their internal - and the other thing that
14 happens at dealerships, they take one in on trade. If it's
15 old, they just wholesale it off. It never gets sold at the
16 dealership, so it doesn't get Smog Checked, so the ones that
17 you're going to see get Smog Checked at dealerships are
18 going to be newer cars and they're going to be internal
19 sales. There are going to be very few that are people that
20 come in off the street and get a Smog Check at a dealership.

21 CHAIR WEISSER: Thanks, Roger. Did you have something you added
22 to add, Jeff, to that? Okay, well, I'm going to open up to
23 other questions and comments, if any, from our Members. Mr.
24 Pearman?

25 MEMBER PEARMAN: I guess just three. One, on this issue with

1 the dealers and the warranty, I was thinking about
2 warranties and whether you thought about how, if any, that
3 affects those statistics. On the one hand it seems even
4 though it seems the cost of the test seems higher at
5 dealers, if you're getting the repairs paid, because under
6 warranty, you would think a consumer would say go ahead and
7 do what you have to do to fix it. On the other hand, we've
8 discussed there might be a behavioral pattern with the
9 dealership if they have to foot the bill for the repairs to
10 do a minimal repair. If that were the case, you would see
11 maybe repairs that didn't last as long at a dealership. Did
12 you ever look at that. Is there a way to test that?
13 Because it seems to me that even if you did that, you'd have
14 to kind of, as you said, control for age, because the
15 converse is they work with newer cars where it would be
16 easier to have repairs that stick, so to speak, regardless
17 of how little you do for them.

18 MEMBER WILLIAMS: I haven't done that, but obviously that's a
19 worthwhile thing to do and once we start thinking about
20 dealers, we can do things like you would presume that the
21 cars that are going to the Lexus dealer are Lexus and not
22 Mercedes, things like that. I haven't studied dealers, but
23 I sure think it might be worthwhile to do so. Before I
24 start that, I want to make sure I've really got a perfect
25 list of the dealers and that I don't yet have.

1 MEMBER PEARMAN: All right. My second question is, I thought in
2 the beginning you kind of were making the point that the
3 mere fact of having to be tested seems to have value because
4 it's forcing cars presumably that are dirty and can't be
5 fixed out of the system, so to speak are being retired.

6 CHAIR WEISSER: Encouraging them.

7 MEMBER PEARMAN: But also, on Page 13, where you have the effect
8 of test style and location on decision not to register, all
9 these factors, Gold Shield, pretest, failed before, were not
10 significant. So, I guess at first I thought that was
11 inconsistent, but I guess the point you're making is just
12 the fact that you have to face the maker and have a test and
13 confront that issue is what makes the decision, that's the
14 key. And the last thing is, what about - can you track
15 car/driver behavior from the material. In other words, it
16 may not be the car that's always the culprit, but if the
17 same owner/driver repeatedly had cars that were failing to
18 meet these tests, is there some way to show that if that is
19 a significant pattern, that you could then use as a target
20 either more testing frequently, or higher cut-point for that
21 owner/driver as opposed to following the car?

22 CHAIR WEISSER: Is this a spin-off of the theme that guns don't
23 kill people, just people kill people, and cars don't
24 pollute, just people pollute?

25 MEMBER WILLIAMS: I won't answer that last question, but the one

1 before, yes, and I think that's an important way to go. To
2 be more specific, the data I have on the DMV registration,
3 such - remember I figured out the families of vehicles or
4 vehicles that are owned by the same household, I bet there's
5 a strong correlation between behavior of the owner, takes it
6 to the same shop, makes those decisions, but also that it
7 passes or not. Holding constant the age of the vehicles.
8 If you don't bother to put the oil in one car, you probably
9 don't put the oil in the other car, among other things,
10 speaking from personal experience. So, yes, and that's
11 long-range use of the two datasets and I haven't managed
12 that yet. I think you see that to know anything you sort of
13 have to know much about the vehicles' owners, but also about
14 the shop to make the analysis completed.

15 MALE: (inaudible)

16 CHAIR WEISSER: As usual. That's a remarkable compliment to
17 you, Jeffrey. I'm really serious. There's - of course, it
18 raises many, many questions, but the challenging of our
19 assumptions and our instincts is just invaluable and I'm
20 just - want to on behalf of the Committee, before we tear it
21 apart, thank you very much for this information. Now, you
22 found out some -

23 MEMBER WILLIAMS: Can I say one thing there?

24 CHAIR WEISSER: You betcha.

25 MEMBER WILLIAMS: I, too, find it very interesting to look at

1 all of this and I find about half of my guesses are right.
2 I really thought it would matter much more what was the test
3 history than it does. It matters some, but not as much.
4 There are other things that I really didn't expect to see.
5 I thought very much that the decision not to even attempt to
6 test two years later would be a function of the current test
7 results. You know that you've got a dying car, so you don't
8 bother to have it tested. That doesn't seem to be
9 happening.

10 CHAIR WEISSER: It's remarkable.

11 MEMBER WILLIAMS: But, what happens, is if you know it's dying,
12 you kill it right now. I'm mixing metaphors, but you all
13 know what I mean. I find that very, very interesting.

14 CHAIR WEISSER: Well, I walk away with you also impressed with
15 the potential, or it seems like, the apparent impact that
16 merely having to do the test has impact on retirements.
17 And, Rocky, I would ask you to find out from the Air
18 Resources Board how that is factored into the SIP. What
19 credit, if any, and I'll bet you a nickel, it's not. People
20 would just hang onto these clunkers longer.

21 MALE: If we could have Smog Check - maybe it would be almost
22 nonexistent. The majority of cases -

23 CHAIR WEISSER: Boy, I wish we could do this sort of data
24 analysis when the program required that failing cars had to
25 come back, or certain failing cars had to come back, for

1 annual Smog Check, because I sense or tend to believe that
2 as the recommendation of BAR and ARB to test high-mileage
3 vehicles and older vehicles on an annual basis - well, we
4 don't have the data, we have the projections. That's all we
5 can say. So, let me open it up for a moment to people in
6 the audience. I think everybody else here - Gideon, did you
7 have something you wanted to say?

8 MEMBER KRACOV: Other than just to thank Jeffrey, like everyone
9 else on the Committee, that you're a volunteer with special
10 expertise and undoubtedly you put a lot of time into this
11 and many other responsibilities that you've had on the
12 Committee and really thank you for that and in a lot of ways
13 really goes above and beyond.

14 MEMBER NICKEY: And I echo the same sentiments.

15 CHAIR WEISSER: Well, I just think it's remarkable and one of
16 the things I guess I was interested in was how, if you - as
17 you ended up saying, you're almost creating a HEP in what
18 you're doing, and it also started raising questions to me
19 before the last page where you start wondering about the
20 HEP, but what would, in terms of relative change to failure
21 probabilities, what are the relative projections of change
22 by model year in the HEP? How much more accurate is the HEP
23 than some of these other measures? And I'd be real
24 interested in getting a better - I'd be real interested, Mr.
25 Executive Officer, in getting a little better understanding

1 of the some of the guts of the HEP process.

2 MR. CARLISLE: One thing I'd like to point out that the HEP
3 does, it ranks the vehicles. In other words, let's say for
4 example, you had 100 of Jeffrey's Volkswagens. Every one
5 the same year, make and model. It looks at other data, such
6 as previous Smog Check history and other data points and it
7 ranks them as the most likely to fail versus the least
8 likely to fail. So when you look at how the HEP is run each
9 month or by area, if you have a region for example, where
10 you have very clean cars, pick Orange County, for example.
11 It's fairly high income. You may have less effectiveness or
12 a less fail rate based on the HEP, because those tend to be
13 cleaner cars. Nevertheless, one has to be ranked as the
14 most likely to fail, where as one has to be ranked least
15 likely to fail. And everything else falls in between.

16 CHAIR WEISSER: Okay. I don't understand what you just said.

17 MR. CARLISLE: In other words, like I go back to the same
18 illustration. If we had 100 Volkswagens. Pick a 1984 VW
19 Golf, had 100 of them. If we ran them through the HEP,
20 using the HEP model, they would still be ranked anywhere
21 from 100 percent failure down to zero percent failure.
22 Because they are ranked against one another.

23 CHAIR WEISSER: Well, I guess the question that one would raise
24 is why do you do it that way. Why aren't you directing -
25 well, the highest likelihood to fail to the best -

1 MR. CARLISLE: Because vehicle miles traveled is going to have a
2 say in it. The previous Smog Check history is going to have
3 a say in it.

4 CHAIR WEISSER: I understand that. Okay, maybe we should talk
5 about this at a different time, but I what I just heard you
6 say is if you've got 100, and I'm going to get off the VWs,
7 pick another.

8 MR. CARLISLE: Toyota Camry.

9 CHAIR WEISSER: In that pool of 100 Toyota Camrys, you're going
10 to have number one, the best, number 100th, the worst.

11 MR. CARLISLE: Correct.

12 CHAIR WEISSER: You're also going to have your old 1984 Jettas,
13 100 of those.

14 MR. CARLISLE: Yes.

15 CHAIR WEISSER: But let's say for the sake of argument that
16 numbers one through 90 of the Toyotas are really cleaner
17 than the cleanest 20 or 30 of the VWs. Why wouldn't you
18 just only do the VWs and you'd leave the Toyotas alone?

19 MR. CARLISLE: Because it's still going to rank one to the
20 other.

21 CHAIR WEISSER: Oh, that just doesn't make sense.

22 MR. CARLISLE: That's just the way that the model works.

23 MEMBER WILLIAMS: But let's not argue over this. Let's just say
24 that we'd like to have somebody who knows someone at BAR,
25 talk about HEP.

1 MR. CARLISLE: Yes.

2 CHAIR WEISSER: Yes.

3 MR. CARLISLE: Contact BAR.

4 CHAIR WEISSER: Would that - Alan, would that be possible for
5 you to work with Rocky to arrange a little briefing for us?
6 Thank you very much.

7 MR. CARLISLE: I have had conversations with ERG. They are the
8 ones that actually created the model and their research
9 company. I've asked them if they could present. They were
10 going to get with BAR and see if they could actually come
11 out and do the presentation, because they could give us the
12 in-depth, down to the nitty gritty details, anything you
13 wanted to know about the HEP.

14 CHAIR WEISSER: Yes, I recognize many of us need translation of
15 a lot of this stuff.

16 MR. CARLISLE: They can provide that.

17 CHAIR WEISSER: And in fact, my next question to Jeffrey is a
18 two-parter. First, what's your next pathway? I left
19 feeling at the end of your presentation that this has
20 inspired to look like there are other things here that maybe
21 a man with your curiosity wants to pursue, Emily willing to
22 do that, and secondly, is there something we could do to try
23 to capture what you presented to us and what appears here in
24 a document that lay people are more likely to read and
25 understand? Is there a way that we could capture that?

1 MEMBER WILLIAMS: I aim to do something just like that, but I'd
2 like, in effect, to redo this analysis with just a little
3 more precision in the classification of the shops and
4 perhaps of the vehicles.

5 CHAIR WEISSER: You need a clean -

6 MEMBER WILLIAMS: A little more where I'm missing some of the
7 information about the shops. We should include that. I
8 want to try that again. I am likely to not do that as
9 quickly as you might hope in that I have some obligations
10 beginning Thursday, called teaching two courses, one with
11 120 in it, and my indulgence in only Smog Check has to come
12 to a stop for a little while, but since I'm an over paid and
13 under worked University of California employee, by June,
14 I'll be able to pursue these other things again.

15 CHAIR WEISSER: Well, when we have a little discussion on the
16 Horton letter, there's a lot of this information I think
17 could be of interest to folks not only in this room, but in
18 the legislature. That's why I ask that. Okay, let's - oh,
19 I'm sorry, Dennis?

20 MEMBER DECOTA: Thank you for all the hard work and your folks
21 for doing that. As I understand, what you've just delivered
22 to me, the test is the test. But basically, there's not a
23 great deal of difference other than dealerships.

24 MEMBER WILLIAMS: I think so, but I don't want to go quite that
25 far. I would say, for one thing, there's different styles

1 of doing the tests at different places and the selection of
2 the pretest seems to be very different, by different types,
3 and that's something already.

4 MEMBER DECOTA: And do I see that the pass-failure rate between
5 the different modes of testing is severely skewed?

6 MEMBER WILLIAMS: The raw data, which is just tests done, these
7 first tests, since so many of them are directed vehicles,
8 and those are supposed to fail more and they do, the crude
9 comparison between pass rates at test-only versus test-and-
10 repair all lumped together is too far apart. If you control
11 everything they are identical. I don't know that we can go
12 to that extent yet.

13 MEMBER DECOTA: I understand. But, these are my words, not
14 yours. I guess my question is, as a Committee Member, Mr.
15 Chairman, do you plan on following this through with a
16 situation where the Committee may at one point in time make
17 recommendations to either ARB, BAR or the legislature on how
18 the direction of vehicles should be done?

19 CHAIR WEISSER: Yes. And now we'll take questions from the
20 audience. Bud?

21 MR. RICE: Bud Rice, Quality Tune-Up Shops. Surprisingly, I was
22 going to follow-up on Dennis' point.

23 CHAIR WEISSER: Next question.

24 MR. RICE: Four quick, quick points. What I took away, and I
25 would agree, great job, Mr. Williams, just a great job, that

1 the data ended up being suspect, I guess, in terms of what
2 you gathered and you thought you were going to get your
3 hands on and what it ended up being was different. Am I
4 getting that sense correctly?

5 MEMBER WILLIAMS: That's a bit of an over statement. The sample
6 D is a useful sample. We just have to understand what it is
7 and interpret it, and in all these things, we have these
8 human choices about the program. I think the deepest one
9 for making the comparisons difficult (tape ends) test-only.
10 And so the comparison there is difficult. If only one or
11 two people did that in the whole state of California, it
12 would be a different matter, but a lot do that. And so the
13 D sample shows how much that is happening and alerts us to
14 the analysis of the many other tests. In effect, we have to
15 control for the selection to test-only, or selection to a
16 Gold Shield shop or something. And that gets us back in the
17 gigantic dataset of all tests. Those aren't random, but
18 they have information in them and so if we are able to
19 examine those other datasets, we might learn a lot, too, as
20 I think we have. So, I'm not saying it's contaminated, but
21 it has to be used with care. It's a slight difference.

22 MR. RICE: Yes, I think I get that. Mr. Chairman, I'll combo
23 some of my up for time, but it appears to me as though the
24 Committee and the legislature makes decision based on data
25 that's presented to them and then if the assumption of the

1 data isn't correct - in other words, you're asking questions
2 of the data that's different than what has been presented
3 perhaps in the past, and why is that. If in fact when we
4 started off on this process, there was a 50 percent discount
5 factor. Well, that got thrown out, well who said that. And
6 then if there was a bias against test-and-repair and that
7 was the reason why we had to have test-and-repair, well who
8 said that. And now we're finding out that the failure rates
9 may be the differences are smaller, but in the beginning, it
10 was said that it was huge, well, who said that. So at the
11 point where this data becomes available and we have a chance
12 to analyze it, I think we're getting to a very different
13 place here and I'm kind of following up on what Mr. DeCota
14 was saying. Thank you.

15 CHAIR WEISSER: Thank you, Bud.

16 MEMBER WILLIAMS: I would say some of what you're saying is true
17 and let's put it another way. Where did the magic 36
18 percent come from given these numbers?

19 MR. RICE: Exactly.

20 MEMBER WILLIAMS: I can't relate them.

21 CHAIR WEISSER: Oh, joy, come on up.

22 MR. CONWAY: John Conway, Menlo Park Chevron, also president of
23 Cassara (phonetic). Mr. Chairman and Committee Members, Dr.
24 Williams, I just want to commend you on the excellent job
25 you did. I think this is a revelation for all of us. You

1 alluded in your presentation that when you were coming
2 across some of these revelations you were possibly going to
3 make a telephone call to BAR and try to get some
4 information. Were you able to make that phone call? As you
5 made some of these discoveries, you kind of alluded in your
6 presentation -

7 MEMBER WILLIAMS: It was through Rocky, and he talked to BAR and
8 BAR confirmed that, yes there was this long ago glitch in
9 the computer code that left a D in where they meant a B -

10 CHAIR WEISSER: The double D.

11 MEMBER WILLIAMS: The double Ds. BAR has been very forthcoming
12 in all of this. No problem there.

13 MR. CONWAY: That's a great revelation. The other point I want
14 to make is I think a lot of this, in customer perception of
15 a shop, you know when they're directed to test-only or test-
16 and-repair, I think if I had an older car, I would be
17 intimidated by taking my car to test-and-repair, rather than
18 going to test-only and I think customer perception in shop
19 and how they do business is also related to consumer choice
20 and the consumer does - they deserve that right of consumer
21 choice and I just want to throw out, I think that, with your
22 discovery here, I think that the good Chairman here made the
23 conclusion about annual repairs now - or annual inspections.
24 I think you have grounds for annual inspections now that
25 could shake out vehicles that could ultimately help our

1 environment here, so I think that your point was well taken,
2 Mr. Chairman.

3 CHAIR WEISSER: I'm always surprised that my points are well
4 taken with they coincide with people's economic interests.

5 MR. CONWAY: Well, yes, most definitely. And with his
6 revelations, I think annual inspections -

7 CHAIR WEISSER: Well, these sorts of pieces of information and
8 inferences come from many different sources. We're blessed
9 to have Jeffrey involved in this process because he's
10 allowing us to look at things we haven't seen before and
11 they are parts of the puzzle and they are going to be useful
12 to people who think about policy, like this Committee, and
13 people who make policy, like the executive branch agencies
14 and the legislature. The job that we have is to review this
15 information, integrate it with other things that we're aware
16 of, and then come up with a way of communicating this
17 information in a balanced and fair way with our best shot at
18 making a recommendation along the lines of the mission of
19 this institution, this IMRC. Thank you.

20 MR. CONWAY: All right, well I don't want to go into the
21 industry financial impact of this, but I'm one who wants to
22 fix it and let's move on, but I think annual inspections and
23 consumer choice can really fix it. Thank you.

24 CHAIR WEISSER: Thank you. Hang on for a second. Mr. Pearman?

25 MEMBER PEARMAN: You said that older vehicle owners are

1 intimidated to go to test-and-repair, why is that?

2 MR. CONWAY: I just think that if I was a consumer and I had a

3 choice of going to test-only and test-and-repair, I would be

4 more intimidated going to test-and-repair. I think it's

5 just a perception that the public might have and -

6 CHAIR WEISSER: But why? You think they're going to think -

7 MR. CONWAY: They might be intimidated by equipment or -

8 MEMBER NICKEY: The fact that test-only doesn't do repairs -

9 CHAIR WEISSER: Yes, so -

10 MR. CONWAY: It's a simpler operation, it's a simpler way to go.

11 MEMBER NICKEY: - and the repair shops, this guy does repairs.

12 He's got the bay ready for me to go if I fail. He's going

13 to drag me in there and it's going to cost me money.

14 MR. CONWAY: Right. Right.

15 CHAIR WEISSER: Yes, I think that's a factor, I think the

16 appearance of shops is a factor, the location of shops is a

17 factor, and price is a factor. Many, many different things.

18 MR. CONWAY: Right, right. Thank you.

19 CHAIR WEISSER: Moving right to the left, I know Randy's out

20 there. I just want to make him dangle for awhile. Mr.

21 Ward?

22 MR. WARD: Thank you, Mr. Chair, Members. Randall Ward,

23 California Emissions Testing Industries Association. Dr.

24 Williams, did you look at any of the vehicles that were the

25 blank spot, that hadn't shown a pass? Were any of those

1 tested at the referee? I'm curious whether any of them
2 received waivers.

3 MEMBER WILLIAMS: I would have a record of that. The ones that
4 are missing, which trouble me, because they should be there.
5 I don't -

6 MR. WARD: There's a question in mind if you know.

7 MEMBER WILLIAMS: If was a record at a referee, I think I'd have
8 it.

9 MR. WARD: I don't think there are.

10 MEMBER WILLIAMS: I didn't take them out if they were at a
11 referee. I think my data file has that, but I haven't
12 specifically gone into check if I have all the referee
13 records.

14 MR. WARD: Okay, because I'm not sure and I don't know whether
15 the data contains any information as to whether those cars
16 received a waiver or not, so -

17 MEMBER WILLIAMS: There's a variable that says waiver or not,
18 but I've never gone in and looked at whether there is an
19 entry there.

20 MR. WARD: Okay.

21 CHAIR WEISSER: What are the implications of that, Randy?

22 MR. WARD: Well, if you're looking at that universe of vehicles
23 that have never -

24 MEMBER DECOTA: A percent, 580 vehicles.

25 MR. WARD: - that had never received a passing test and the

1 conclusion is that they were likely scrapped, that may not
2 be a fair conclusion.

3 MEMBER WILLIAMS: I agree, and as my analysis suggests, and
4 those 87 Golfs suggest, there are a lot of cars that we
5 don't see them in the Smog Check records, but we also don't
6 see them in the DMV records has having been officially
7 scrapped. About one-third of the disappears disappear in
8 that sense and I wish we knew more about them.

9 MR. WARD: Yes, I hope that the new database contains a lot more
10 information than the existing one. A couple of things -

11 MEMBER WILLIAMS: Could I just say one thing there that this D
12 sample, I didn't really expect would be confirming so much
13 of what was happening with that 87 Golf. How many vehicles
14 fail and then we just don't see them again, that seems to be
15 a fairly broad pattern. I should probably look at some more
16 specific models and years to confirm it. I now feel that
17 that's a very strong effect of the Smog Check program.

18 CHAIR WEISSER: And one that's - we don't know if it's
19 integrated into the regulatory system very well.

20 MEMBER WILLIAMS: That's right.

21 MR. WARD: Well, there is VIN records of scrap available.

22 CHAIR WEISSER: I should say the SIP process when I say
23 regulatory system.

24 MR. WARD: Well, you raised a good issue, whether the program is
25 actually taking credit for it is a question in my mind as

1 well. On the issue of fail rates, fail rates within the
2 context of like vehicles, the fail rate should be in the
3 same proximity for every Smog Check station.

4 CHAIR WEISSER: Not necessarily, Randy, because even the similar
5 vehicle will have different maintenance characteristics
6 depending upon the owner's economic status and -

7 MR. WARD: I'm not questioning that, I'm talking about the
8 pass/fail record of the test.

9 CHAIR WEISSER: That's what I'm talking about, too.

10 MR. WARD: All I'm saying is from a station's perspective,
11 looking at it - not at a vehicle, just talking the straight
12 percentage of vehicles failed by one station versus another,
13 for like vehicles, those fail rates should be close to
14 identical. There's no reason they shouldn't be.

15 CHAIR WEISSER: Maybe I'm not understanding you, but if I have a
16 1984 Golf and I'm making \$25,000 a year, I'm going to
17 maintain that car something differently than I might if I
18 have a 1984 Golf and I'm making \$200,000 a year.

19 MEMBER KRACOV: But I think what Randy is saying is that if that
20 same car is test once at test-and-repair, once at test-only,
21 the result would be the same.

22 CHAIR WEISSER: You mean the identical car?

23 MEMBER DECOTA: Yes, you run 100 of the same make and model
24 through each one of the testing regimens, they should come
25 out the same.

1 MR. WARD: Yes.

2 CHAIR WEISSER: If you run 100 cars, the same set of 100 cars
3 through test-and-repair and test-only, they should come out
4 the same.

5 MEMBER DECOTA: Right.

6 CHAIR WEISSER: Those exact same cars?

7 MEMBER DECOTA: Yes.

8 MEMBER WILLIAMS: Providing the test is applied in the same
9 manner.

10 CHAIR WEISSER: Presuming that.

11 MR. WARD: Yes, and then particularly on OBD II, because the
12 functional test is a mechanical routine of plugging into the
13 computer, so it's less of a human variable within the
14 context of that test.

15 CHAIR WEISSER: So, your point is that -

16 MR. WARD: Well, the point is that I think from - and BAR could
17 explain this much better than I, but the issue of fail rates
18 is not a very particularly adequate, certainly not the only
19 adequate, measure of performance within the context of any
20 comparison here.

21 CHAIR WEISSER: I agree.

22 MR. WARD: And I think Dr. Williams recognizes that as well.

23 And then one of the points, and then Dr. Williams is
24 probably much more astute than I am with regard to applying
25 some kind of statistical significant to this, but the

1 average number of tests conducted by a Gold Shield station
2 is approximately 40 per month. The average number of tests
3 conducted by a test-only station is about 280 a month. So,
4 a change in one or two tests for the Gold Shield station has
5 a pronounced impact on its fail rate as opposed to a similar
6 change in the percentage of tests. Now, how you weight
7 that, I'm sure it would be relatively easy to do. Anyway,
8 thank you, Mr. Chairman.

9 CHAIR WEISSER: Thank you, Randy. Mr. Peters, did you have
10 something you want to add, please?

11 MR. PETERS: Yes, Mr. Chairman, Committee. I'm Charlie Peters,
12 Clean Air Performance Professionals representing a coalition
13 of motorists. One of the things that Dr. Williams mentioned
14 in particular that I found interesting, and certainly made a
15 lot of sense to me is, that the Smog Check program may very
16 well have a significant effect on retirement of vehicles.
17 And I wrote a letter in 1985 or 6 talking about the number
18 of vehicles that Smog Check at \$50 cost limit had generated
19 in scrappage where people got their cars inspected and
20 because we had had no previous inspections and number of
21 tampers and number of repairs that were necessary, the
22 amount of parts that were being put on cars, the scrappage
23 that took place in the first year or two of Smog Check was
24 huge. So I think that your indication of a tremendous
25 amount of scrappage being specifically, and you, Mr.

1 Chairman, taking a look at that, I think you may find that
2 that's a much bigger factor than anybody's given any credit
3 to. And I appreciate very much Dr. Williams' looking at a
4 lot of these details and trying to decipher what's going on
5 and it sounds like he's come across a couple of pretty eye-
6 opening, oh what is this, kinds of things and things are a
7 little different than what they were perceived and there
8 were some people that were aware of that, but just not
9 everybody was aware of it. But my issue is that we're
10 discussing and looking at all the details of what is trying
11 to find the discrepancies, but we're going - this past 30
12 days, I've probably gone into 200 Smog Check stations in the
13 Bay Area and those go from huge facilities with all kinds of
14 very fancy cars sitting around and moving in very fast
15 action, Mercedes and so on and so forth, to going through
16 some neighborhoods that make you a little uncomfortable
17 being there any time of the day, where you've got all kinds
18 of cars in all kinds of state of disarray and parts laying
19 everywhere and so on, so the differences you find from
20 station to station and in different kinds of stations and
21 different kinds of neighborhoods, and then you add to that
22 the individual behaviors based upon individual people
23 families and where they take cars and why they take them
24 there and so on and so forth, this becomes just fascinating.
25 And unless you find out if what's broken is getting

1 repaired, unless you find out what's really going in the
2 street, whether the car is failing that should fail, passing
3 that should pass and whether what's broken gets fixed, I
4 think we're doing a disservice by not digging all the way
5 through to the bottom of that and doing some real analysis
6 as to what we need to do in California. Thank you.

7 CHAIR WEISSER: Thank you, Mr. Peters. Did you have something
8 you wanted to add, Jeffrey? Okay. This is terrific work
9 and each piece that you have put forward has added to our
10 understanding and at times, our confusion because it
11 certainly has undermined some of the beliefs that I came
12 into this program with and shaken some of those
13 understandings, or what I thought were understandings. It
14 made me step back and become more curious and it's that
15 sense of curiosity that you project that is something that I
16 hope infects us all as we look in this program, that we
17 don't hold so closely to our breasts that the fact that we
18 know it all, because we don't. One last question before we
19 move on, Jeffrey, is that at some point in time, it's
20 important that this data be - and not just this data, but
21 data that you have accumulated be published in some form so
22 that folks can get a chance to peer review it so we get
23 other eyes looking at it and I'm wondering if there's some
24 thing we can do or that you are doing that would help in
25 that regard.

1 MEMBER WILLIAMS: I do need to do that. That's how success is
2 measured in my business, but I'm also interested in looking
3 at some of this and so to go back and redo it and get it
4 really precise, keeps me from looking at something else, but
5 I do need to do that and I think maybe sample D is finally
6 the thing to really look at and try to publish.

7 CHAIR WEISSER: Yes, if there's something this Committee can do
8 that would be supportive of you being able to accomplish
9 that, I would like us to know of it. If there are ways that
10 we can help you in terms of equipment, in terms of other
11 forms of assistance, just let us know. Rocky, you had
12 something on that?

13 MEMBER WILLIAMS: I'll think about that.

14 MR. CARLISLE: I was just going to comment that we met several
15 weeks ago and Steve Gould, Jude Lamare, and myself offered
16 to help Jeffrey put together a report on this once he got
17 the presentation done, so that was our intent to formalize
18 this for the Committee's review.

19 - o0o -

20 CHAIR WEISSER: Very good, very good. Okay. It's 2:00, we have
21 really two subjects left on our agenda. I guess the first
22 one, Rocky, and then I think we want to take a brief bio
23 break and move into the last item. The first one, perhaps
24 is the draft IMRC report. You indicated, Rocky, that there
25 was an initial draft of a cover letter in here. I have not

1 had a chance to -

2 MR. CARLISLE: What I've put together is the introduction to the
3 next report as well as the executive summary. And it's got
4 two placeholders, one is for the program avoidance piece
5 that Steve Gould and I are still working on and the other is
6 the comparison of test-only, test-and-repair, and Gold
7 Shield stations. Now, whether that gets included in this
8 report is certainly up to the Committee, but I put it in
9 here more than anything else, for your review between now
10 and the next meeting.

11 CHAIR WEISSER: Okay.

12 MR. CARLISLE: And there's a lot of information there. I also
13 recapped the previous recommendations. One you might notice
14 is the -

15 CHAIR WEISSER: Just did, thank you.

16 MR. CARLISLE: Yes, inspection of - annual inspection of
17 vehicles, older model year vehicles and also high mileage
18 vehicles, which based on Jeffrey's presentation, looks like
19 it's worthwhile.

20 CHAIR WEISSER: Yes. Very good, so you're giving this to us.

21 We should be looking this over, we should be emailing you if
22 we have any thoughts, comments. I'm particularly interested
23 in kind of getting a sense of the timing of this. How do we
24 input some of the things we've heard recently or today into
25 our analysis that's in here? Are there things we can

1 extract out of the information that we've received to
2 bolster some of the recommendations that we made in last
3 year's report, such as the annual, such as the high mileage,
4 which do seem to have some impetus or a higher degree of
5 likelihood of increasing emission reductions. Okay, so
6 let's - any Committee Members have any questions of Rocky
7 insofar as this portion of the agenda is concerned? Okay.
8 I'm going to request that we take a 10-minute break.

9 MEMBER DECOTA: (unclear)

10 CHAIR WEISSER: Yes, well remember this morning, we held an open
11 item on the - I think it's Bermudez bill -

12 MEMBER DECOTA: Yes.

13 CHAIR WEISSER: - associated with career tech and thank you,
14 very much, Dennis, for asking Chris Walker to come. Chris
15 is a sponsor or the sponsor, I'm not sure which, of the
16 measure. It's an issue this Committee is very much
17 interested in. Chris, to bring you up to date, there's been
18 a motion and a second for the Committee to support the bill,
19 recognizing that it may go through other iterations. The
20 Committee is very much interested in the notion of
21 increasing the number of well-trained techs in this field
22 and supporting the education of the existing tech base. We
23 put on hold, because we really don't know diddly about the
24 details of the bill and perhaps you might illuminate us.

25 MR. WALKER: Sure. Again, Chris Walker, on behalf of the

1 Automotive Repair Coalition. ARC is the sponsor of AB226,
2 authored by Assemblymember Bermudez. It's an attempt to
3 take some idle resources that are now sitting in an account
4 not being used at the Bureau of Automotive Repair, and try
5 to reinvigorate some of the automotive repair programs in
6 our high schools across the state that are being shut down
7 due to lack of resources. The Governor is doing his level
8 best at trying to increase dollars for facilities and
9 equipment. These are getting more operational dollars.
10 The Governor has put a big chunk of dollars in the
11 infrastructure bond package that may or may not pass some
12 time in the future. But this is a small amount of money
13 that would be used to prop up those auto programs statewide.
14 To help them get NATEF certification, help them get CAT
15 certification, make sure that they have the proper
16 equipment, that the teacher has professional training, that
17 there is industry advisory committees helping these things
18 get propped up. The idea is to take 10 percent of the
19 operating reserve of the VIRF. Currently, the VIRF,
20 excusing me, the Vehicle Inspection and Repair Fund, for the
21 purposes of operating and running the Smog Check program.
22 There has been an annual recurring reserve of about \$40 -
23 \$35 to \$45 million each year. The idea was to take 10
24 percent of that and inject somewhere between \$3.5, \$4.5
25 million into the auto program statewide. This is a major,

1 major deal for this industry. I don't think there's a shop
2 owner in the state that will tell you that finding good,
3 talented, experienced technicians isn't a problem, and the
4 pipeline that we used to rely upon in our K-12 public
5 schools is drying up and almost gone.

6 CHAIR WEISSER: Chris, this is a one-time allocation of that
7 reserve, of that portion of the reserve?

8 MR. WALKER: Talks are ongoing with the administration. The
9 idea was to have an annual appropriation of 10 percent of
10 the reserve. We are in talks with the administration. I
11 think that the author is open to doing a one-time 10 percent
12 allocation into the fund to get it running, but again, those
13 conversations are continuing. In the bill itself, there is
14 no reference to where the dollars will be coming from. It
15 creates an account, it creates a mechanism by which the
16 grants will be provided, the parameters upon which those
17 grants will be provided, but it is silent on where the money
18 will come from. That is part and parcel of the negotiations
19 between the author's office and the administration.

20 CHAIR WEISSER: And these funds would be made available by grant
21 to applicants or how?

22 MR. WALKER: Correct. It actually would be made by the chief of
23 the Bureau of Automotive Repair, so it would stay within the
24 Department of Consumer Affairs, Bureau of Automotive Repair,
25 the grants would be reviewed by an advisory committee.

1 Currently made up in this bill, which is consistent with the
2 current advisory committee that the chief has put together.
3 So, basically, it would be a sub-function of the existing
4 Bureau Advisory Group or BAG group and that they would
5 review applicants for the grants and make suggestions to the
6 chief and the chief would dispense with this.

7 CHAIR WEISSER: Who's on this BAG committee?

8 MR. WALKER: Who's on the BAG committee? Would you like to be
9 on there?

10 CHAIR WEISSER: No, thank you.

11 MR. WALKER: Members of the industry, members of consumer
12 groups, and members of the environmental community.

13 CHAIR WEISSER: Thank you. Are there questions from members of
14 the panel to Chris? Okay, well, if you remember, we have a
15 motion before us to put the - is there more you want to add,
16 Chris?

17 MR. WALKER: Just one more element. In addition to the BAG, the
18 community college chancellor's office and the superintendent
19 of public instruction would also be involved in reviewing
20 and making suggestions.

21 CHAIR WEISSER: And would be involved. What does would be
22 involved mean?

23 MR. WALKER: They would be in addition to -

24 CHAIR WEISSER: So, they do -

25 MR. WALKER: They would be in addition to the current

1 composition of the BAG group. So, you'd have the BAG, plus
2 two. One from the community colleges and one -

3 CHAIR WEISSER: Are they the allocators of the money or they
4 make recommendations to the chief of BAR?

5 MR. WALKER: They make recommendations, correct.

6 CHAIR WEISSER: Okay, that's cool. Does this Committee want a
7 representative involved in that? It seems too operational
8 for this Committee to get involved in, but -

9 MEMBER DECOTA: I'm on that committee.

10 CHAIR WEISSER: Okay, thanks, Chris. Hang in here, maybe
11 there's another - anyhow, we have this motion that's been
12 made, it's been seconded, we've had discussion. The motion
13 is basically aimed at determining whether the Committee
14 should go on record as supporting at least on the conceptual
15 level the purposes and aims of the Bermudez bill,
16 recognizing that it will probably go through some sort of
17 evolving nature due to the negotiations Chris mentioned.
18 So, with no further ado, all in favor of supporting the IMRC
19 supporting the Bermudez bill, please indicate by saying aye.

20 ALL MEMBERS: Aye.

21 CHAIR WEISSER: Are there any opposed? Hearing none, the motion
22 carries. Thank you, Chris, and thank you, Members. Ladies
23 and gentlemen, if we could take a 13-minute break according
24 to that clock, we'll try to return promptly at 2:30. That
25 would be terrific. Thank you.

1 - o0o -

2 CHAIR WEISSER: Okay, the meeting will come back to order,
3 please. Our next item is a discussion on the response to
4 the letter we received from Assemblywoman Horton in January.
5 This letter, which I pulled up a copy of is less than a page
6 and a half in length, yet it has taken us quite a bit of
7 time to work up a draft response. Ladies and gentlemen in
8 the audience, because this is a work in progress and because
9 of the nature of the laws and rules that we operate under,
10 we're as a group now going to discuss this like we were in
11 our living room, because it's the only opportunity we have
12 as a group to chat about the letter. Because it's a work in
13 progress and we're not yet in a place we want to see the
14 draft appear publicly, you guys are being to be dealing with
15 a somewhat cryptic conversation, because you don't have
16 copies of the draft that we're going to be chatting about.
17 And I apologize for that, but indicate that that's just the
18 way it is right now. The letter, if you haven't had a
19 chance to look at it, asks a series of questions associated
20 with the direction of vehicles to test-only stations and
21 asks questions associated with the background of how we
22 arrived at the situation that we're at. What we're trying
23 to do is to prepare as best we can, a factual basis of our
24 best understanding of how the various SIPs, the various
25 statutes, statutory changes, have impacted the decisions of

1 the executive branch in terms of identifying what percentage
2 of vehicles need to be directed to test-only. I want to
3 thank our absent Committee Member, Jude Lamar, who has put
4 in quite a bit of work on this and thank most of all our
5 Executive Officer, Rocky Carlisle for taking a very brave
6 and, I think relatively successful, attempt at drafting up a
7 series of proposed responses which Jude and I have been
8 working with for the past three or four weeks pretty
9 intensely, culminating in me spending most of Friday
10 afternoon in redrafting to try to translate the work that
11 Rocky did into more of a document that would flow a little
12 bit better. The changes that I made in Rocky's draft were
13 not insubstantial. This is just a word document, the red
14 indicates the changes that I've made and cross out and
15 underlining and throughout the document you'll see I made a
16 ton because her questions, while appearing somewhat simple,
17 end up being quite complex and that complexity is exceeded
18 by the answers, so it was a challenge for us to come up with
19 a draft response that communicates as clearly as possible
20 what we think are good answers to Assemblywoman Horton's
21 questions. I'm going to ask if the Committee Members have
22 had a chance to read this and if you haven't, I think it's a
23 good time to take five minutes for you to just sit down and
24 read this through, because what I would like to do is to get
25 your advice on how we should proceed in this letter. I want

1 - the answers to these questions, the questions themselves
2 and their answers are not inconsequential. This issue of
3 the percentage of directed vehicles has been one of high
4 interest to stakeholders in this process from the day they
5 were first incorporated in the 1994 SIP. So, we need to be
6 very, very precise and careful with the choice of the words
7 that we use and how we transmit this information, because I
8 think it's going to be as important to stakeholders as
9 anything we say in our normal reports to the legislature.
10 So, I guess what I will do is ask you to read this until
11 you're comfortable in discussing it and when you're
12 comfortable in discussing it, just put your microphones up
13 and I will know then we can proceed to discussing the draft.
14 Okay, Bruce are you ready? I think we're all - Roger, are
15 you okay? Okay, we'll begin our discussion. I will say at
16 the outset that the information that we heard today from
17 Jeffrey and some of the data that he put forward in regard
18 to the analysis of station performance using the D sample is
19 another data point that we might want to incorporate into
20 this letter. It might also be an opportunity to incorporate
21 at least a couple of what I think are key findings in what I
22 heard this afternoon, which reinforce a message that we sent
23 to the legislature and the administration in the past
24 regarding the desirability for annual testing for older
25 vehicles and annual testing for higher mileage vehicles.

1 So, I would make one suggestion in this regard, Rocky, is
2 for us to work with Jeffrey to come up with wording that
3 captures and does not distort the information that he's
4 uncovered through his most recent analysis. And with that,
5 I'd like to just open it up for questions and comments and
6 suggestions and whatnot, because there's a lot to go over in
7 this letter and I'll start with Robert Pearman. Okay, I'll
8 start with Jeffrey, unless Jeffrey has a good question that
9 I can't answer. I thought you had you're wand up.

10 MEMBER WILLIAMS: I'm reading for the first time the 1994 SIP
11 where it says, the vehicle is required to go to test-only
12 stations for initial tests will consist of -

13 CHAIR WEISSER: This is on Page 6.

14 MEMBER WILLIAMS: - two percent random sample, high-mileage
15 fleet vehicles, we don't identify those now, so I guess they
16 don't count, vehicles for hire, I don't think those are
17 direct - I'm reading from the SIP of 1994, which is the base
18 document to which everything has been added and it reads
19 this way. The vehicles required to go to test-only stations
20 for initial tests will consist of a two-percent random
21 sample - Page 6 - and that exists as a 1.9 percent random
22 sample, but who's quibbling, high-mileage fleet vehicles - I
23 don't think those are directed, they're not directed, annual
24 test for two to five years for vehicles previously
25 identified as high emitters, that's not done, likely high

1 emitters identified through remote sensing and test-and-
2 repair stations, that's sort of done, and motorists
3 voluntarily choosing to go to test-only stations. I didn't
4 realize that. Motorists voluntarily choosing to go to test-
5 only stations would seem to be, then part of the 34 percent,
6 so all volunteers should be subtracted off to get 34 minus
7 some number if that's true, and that's what was in the
8 original SIP, so I am confused.

9 CHAIR WEISSER: Let me add to your confusion. In the documents,
10 most notably the 2000 SIP, the State agreed to make program
11 changes to make up for what was seen as a short-fall in
12 emission reductions gained through the Smog Check program
13 that was presented in the 94 SIP. The demonstration of
14 attainment that the State has to go through is basically a
15 look back on the old SIP and says how did we do, and their
16 analysis came forward with due to a number of factors,
17 legislative changes in the program and other things, that
18 the Smog Check program wasn't generating sufficient tons of
19 emission reductions. As I understand it, and correct me if
20 I'm wrong, Rocky, or anyone on the Committee or in the
21 audience, it was at that point in time that the State agreed
22 with the Feds to increase the direction to 36 percent of
23 directed vehicles in order to try to increase the emission
24 reductions that would come from Smog Check. What I don't
25 know is if the write-up on that specified as the 94 SIP did

1 what directed vehicles meant.

2 MR. CARLISLE: Neither of them identified it exactly those
3 vehicles subject. The only thing that identifies those is
4 the legal opinion. But, I should mention, in the original
5 94 SIP that was finalized in 95 that it did allude to the
6 fact that it may need to direct 36 percent, so the 36
7 percent in 2000 was nothing new to the Administration. In
8 addition, that calculation was modeled. It wasn't using
9 empirical data at that time.

10 CHAIR WEISSER: The question - let me interject here. I think
11 the question Jeffrey is asking is if you were to - the
12 write-up in the 94 SIP would appear to indicate that in that
13 34 percent you could also include all volunteers.

14 MR. CARLISLE: That's correct. That was the implication of the
15 SIP, but it was a policy decision by DCA BAR to use the
16 high-emitter profile to get those most likely to fail to the
17 test-only stations, number one. The other source of
18 argument back then was does the two percent add onto the 36
19 percent, or is it inclusive. Because there's a separate
20 section of law that requires that BAR direct two percent at
21 random to test-only stations and that's totally separate
22 from the first part of the Health and Safety Code that
23 requires direction in the enhanced areas. But, it was later
24 determined that the two percent was part of that 36 percent
25 or in the early stages, part of the 15 percent. So, back in

1 1998 and end of 97 when they first started directing
2 vehicles, it was actually 13 percent from the high-emitter
3 profile. The other two percent was selected at random. So
4 those were policy decisions.

5 CHAIR WEISSER: Please, Jeffrey.

6 MEMBER WILLIAMS: But, my question remains, if the current world
7 has changed but there's this sentence there that I didn't
8 know about that says the volunteers count, so let's say it's
9 36 or 34, that's not the issue, the current number of total
10 going to first test to test-only is something like 55
11 percent. It would seem to me from that reading that it can
12 only be 34 or 36 and that the number of directed vehicles is
13 adjusted to the number of volunteers -

14 CHAIR WEISSER: The third - Jeffrey, I'm going to interrupt, but
15 the third word in that line is required. The vehicles
16 required to go to for initial tests, and maybe that's the
17 point of differentiation and why volunteers are not
18 included.

19 MEMBER WILLIAMS: Okay, but the original drafting, it's a
20 drafting error, we'll call it, talks about the vehicles
21 required are motorists who voluntarily choose and -

22 CHAIR WEISSER: That's right, you're right. Well -

23 MEMBER DECOTA: And you are reading it right. As Cassara being
24 one of the sponsors of the legislation, I worked with the
25 author extensively on the development, very purposely put

1 that in there. It's always - it's evolved without input or
2 review.

3 MEMBER PEARMAN: The author of the SIP? Because this is a SIP,
4 not in the statute.

5 CHAIR WEISSER: Push your button down.

6 MEMBER PEARMAN: You said you worked with the author, but this
7 in the SIP, this is not in the statute.

8 MEMBER DECOTA: I understand that. The SIP was totally
9 developed without any input from the industry, so I will -
10 you are right, Robert, you are.

11 MEMBER PEARMAN: It may just be bore English and they missed the
12 semicolon, but required and voluntary doesn't make sense
13 together, but it may be that notwithstanding Jeff's findings
14 lately, that in the beginning people though no one would go
15 to test-only unless they really had to, so the number of
16 volunteers would be so small, they've got to throw it in the
17 mix. But we don't know the - so I think the way the letter
18 is written is kind of good in that we don't make a statement
19 about whether it makes sense or what it means. At that
20 point, we just say, this is what it is, dear Senator, and
21 make with it what you will.

22 CHAIR WEISSER: Okay, Gideon?

23 MEMBER KRACOV: I'm just going to throw out my observations on
24 the document. I think that the background, which goes on
25 for about a page and a half is very helpful. I think it's

1 well-written and gives a good background, especially to
2 those that don't have all this stuff in mind and I think
3 it's important to kind of put that forward. I think it's
4 excellent. That being said, I think that we could be a
5 little more pithy with regard to the responses. I think the
6 document goes on a little too long. I find it to be a
7 little bit repetitive. I also think that you've parsed
8 these eight questions. I think we should try to put some
9 topic sentences in here to try to answer those questions
10 quicker so that someone doesn't have to read the whole
11 answer, that they can kind of read the first sentence and
12 that will be a topic sentence for where we're going to head.
13 I think that will help to organize and clarify things a
14 little bit. So, for example, just by way of example, on
15 Page 3, in response to question one, according to law, how
16 many vehicles is the Bureau of Automotive Repair required to
17 direct to test-only stations. I think what we could say is
18 the Health and Safety Code says 15 percent, but the 2000 SIP
19 obligation says 36 percent, period -

20 CHAIR WEISSER: And then go on.

21 MEMBER KRACOV: - and then go on and explain how that is. I
22 think that that will make it a little bit more user
23 friendly.

24 CHAIR WEISSER: That's a good idea.

25 MEMBER KRACOV: Same, for example, with question two on Page 4,

1 why did the ARB indicate that the State had committed to
2 direct two million vehicles per year to test-only stations.
3 The brief answer could be, we believe that that was a
4 statement made during a presentation, however, this does not
5 appear accurate, period, and then you kind of go down and
6 say it was said at this thing, but in the end, it appears
7 that we're actually doing 3.4. I just think that that can
8 help to clarify these questions. A final thing I'll say on
9 question three, what are the emission reduction benefits the
10 State receives by directing vehicles to test-only stations.
11 It takes us basically a page and a half, single-spaced (tape
12 ends) 3.4 tons a day, I think is the answer to that question
13 in addition to underlying calculations of 284 tons a day.
14 I'm not sure if the discussion before that is really helpful
15 to that and really doesn't, in my view, really answer the
16 question. So it's just little drafting that I'd be happy to
17 help on that.

18 CHAIR WEISSER: That's very helpful.

19 MEMBER KRACOV: Yes, but I do think overall, particularly the
20 introduction, really sets it up well and I think all the
21 information is in there, it's just a question of simplifying
22 it for reader.

23 CHAIR WEISSER: Thank you, I think that's a very helpful
24 suggestion and any specific editorial approaches toward that
25 we'd appreciate. I have to say that the information in that

1 last paragraph in question three is new. It was added in -
2 it was area that I had asked for some information and I'm
3 surprised quite frankly, that increasing the number of
4 vehicles directed to test-only stations from 15 percent to
5 36 percent was only 3.3 on a base of 284. That does not
6 compute to me.

7 MEMBER KRACOV: If so, it makes you -

8 MR. CARLISLE: That's directly out of the 2012 ARB report.

9 MEMBER KRACOV: But if you put that, for example -

10 CHAIR WEISSER: The two thousand and what?

11 MR. CARLISLE: The 2000 -

12 CHAIR WEISSER: The 2000 ARB report.

13 MR. CARLISLE: - July 12th, 2000, ARB report.

14 CHAIR WEISSER: Oh, okay.

15 MEMBER KRACOV: So, for example, you mention that, it's the last
16 paragraph in response to question three. You start with the
17 words, the only report that quantified emissions, you can
18 move that up front -

19 CHAIR WEISSER: Right.

20 MEMBER KRACOV: - get to the 3.3 and then, boy, that number
21 really bounces out at you and makes everybody kind of
22 wonder, well, that's what the fuss is about, 3.3 tons a day.

23 CHAIR WEISSER: Well, don't minimize the impact of 3.3 tons a
24 day, Gideon, please, because every pound is hard to get in
25 this battle for clean air, but it is a pretty modest number

1 in relationship to the 284 that the baseline program
2 presumes to get. I was surprised by the relative small
3 percentage. I think Gideon's right that we need to answer
4 the question as quickly as we can, and then explain our
5 answers. That's a very good suggestion.

6 MR. CARLISLE: Might I also suggest since Jude Lamare is going
7 to absent for a while that maybe we point a new committee of
8 yourself and Gideon Kracov, a new subcommittee to finalize
9 this letter?

10 CHAIR WEISSER: Why don't you just hang me first. My reality is
11 that I can't do anything for a week, at least a week and
12 maybe 10 days. I'm just completely booked. But let's talk
13 about when Jude gets back and how we can get other input.
14 For instance, I think we need to develop something as I said
15 earlier, to incorporate some of the data and findings that
16 Jeffrey has come up with and I can't think of someone better
17 to do that than Jeffrey. So, maybe we'll have multiple
18 hands helping us on this, and we might give them - when does
19 Jude get back, two weeks?

20 MR. CARLISLE: I think it's two or three weeks. It's too long.

21 CHAIR WEISSER: Pin it down, because she may come back just in
22 time. Mr. Pearman?

23 MEMBER PEARMAN: First, at Page 3, at the bottom, the last
24 paragraph, it's mentioned that, suffice it to say at this
25 juncture that ARB has interpreted the statutes as requiring

1 inclusion of all vehicles, etcetera, etcetera. Statutes is
2 plural, and I know we've got this Health and Safety Code
3 statute cited above, but I'm wondering what else you refer
4 to, specifically, are you saying ARB has interpreted the SIP
5 in the same manner, because the SIP is very vague. It says,
6 of the fleet annually, fleet due for inspection. So, are we
7 talking about both the Health and Safety Code and the SIP
8 being interpreted that way?

9 MR. CARLISLE: No, it's just the Health and Safety Code, so
10 you're right, that's a typo.

11 MEMBER PEARMAN: Well, okay, then the second question is how is
12 the SIP being interpreted and isn't it the SIP the one
13 that's controlling the 36 percent now, so I'm confused.

14 CHAIR WEISSER: I think the point is well taken, Robert, and it
15 should say has interpreted, I think it actually is plural -

16 MR. CARLISLE: Well, the SIP is not.

17 CHAIR WEISSER: - a statutes and the SIP.

18 MR. CARLISLE: Okay, yes.

19 MEMBER PEARMAN: Unless it's different, which would seem
20 strange.

21 CHAIR WEISSER: No, I don't believe it is.

22 MEMBER PEARMAN: Then -

23 CHAIR WEISSER: There - please continue.

24 MEMBER PEARMAN: Okay. Then on question two, the statement
25 about why did the Air Resources Board indicated two million.

1 We just state Ms. Marvin said these things and it wasn't our
2 statement, but could we answer the why perhaps a little bit
3 better since we've been throwing 36 percent and 48 percent.
4 Can we tie the two million to some number at that point in
5 time that equaled 36 percent or is it just unrelated to
6 anything like that and we can't give a real comment as to
7 why?

8 CHAIR WEISSER: I can't answer that. Rocky?

9 MR. CARLISLE: No, I think we can condense it.

10 CHAIR WEISSER: Did you ever speak to Cynthia?

11 MR. CARLISLE: No, I tried to call her yesterday and was unable
12 to get a hold of her.

13 CHAIR WEISSER: Okay. I think we need -

14 MR. CARLISLE: I told her I had some questions.

15 MEMBER PEARMAN: A number that might be 36, but I wouldn't - we
16 could either find out or figure it that really ties into -
17 it really was 36 percent under some analysis or something
18 like that because otherwise we're not really answering the
19 question that she asked, which is why -

20 MR. CARLISLE: Right.

21 MEMBER PEARMAN: And then next, question three, is what are the
22 emission reduction benefits the State receives by directing
23 vehicles to test-only stations. Part of our answer on Page
24 5 talks about Table 1, and what caught my attention was we
25 discussed failure rates may not be the best metric. Well,

1 first, that seems to be an editorialization there. The
2 question was simply what are the emission reduction
3 benefits. And so, this is maybe true about the failure
4 rates not being the best or only measure, but I'm not sure
5 that is a direct answer or ties into the question that was
6 asked, and so I just asked you, put that in better context
7 or drop it or put it somewhere else.

8 CHAIR WEISSER: I think that Gideon's comment of moving the last
9 paragraph up to the beginning is crucial to responding to
10 the question in a prompt way. It's at that point in time
11 that you might want to get into the perceived versus - the
12 perceived differences between station types to describe the
13 background of the why people think test-only delivers more
14 emission benefits and, on that, we can graft material that
15 we just received from Jeffrey.

16 MR. CARLISLE: Sure.

17 MEMBER PEARMAN: Again, I think -

18 CHAIR WEISSER: Those are good comments.

19 MEMBER PEARMAN: Okay, and then looking at Page 6 when we talk
20 about the 36 percent morphing to 48 percent, how does that
21 tie into the no-show rate and the methodology Ms. Marvin
22 described where they actually morph whatever the rate is up
23 by it looks like 30 percent to get all the no-shows to get
24 to the actual number. So, is it 48 plus this no-show rate,
25 or is that included in it? I think we should maybe explain

1 that if we know how they relate together.

2 CHAIR WEISSER: And I'm not sure we can. I'm feeling like I'm
3 treading on pretty thin ice, but I understand why they need
4 to direct more vehicles to reach required percentages
5 because of the no-show rates. I don't quite understand the
6 methodology that they use to back into the 36 percent
7 ultimately agreed upon between the Feds and the State, the
8 U.S. EPA and the Cal EPA. The perception I have, and this
9 is one of the things we need to chat with ARB, which is what
10 I asked Rocky to do, is that they actually had to work
11 backwards from the tons they needed to capture and credit in
12 the SIP for Smog Check to that 36 percent. So, the 36
13 percent figure, I believe, is the figure that they felt they
14 needed to actually take the test in order to generate that
15 portion of the tons, the Smog Check program was supposed to
16 deliver. To get that 36 percent, they might in fact have to
17 direct more because of no-shows, but how that reaches - what
18 level that reaches at and how you consider the volunteers
19 along the questions raised, I don't have a clue and I
20 suspect the only way we'll be able to get that is to
21 directly ask ARB.

22 MR. CARLISLE: Yes, I've got an appointment with Tom Cackett
23 tomorrow and Dick Ross on Thursday, but some of it hinges on
24 how far we get with this letter today, too.

25 CHAIR WEISSER: Well, this is kind of pin-pointing questions

1 that we need. My belief is that we need to have - it would
2 be very desirable for us to have our letter seen by both the
3 BAR and the ARB before we send it out so we can get their
4 input and advice on issues that they have a lot of expertise
5 on. So, I want to make sure that happens. Now, you may
6 have, because of these really good comments that we're
7 getting, Rocky, just set yourself up for two meetings. You
8 may want an initial meeting to go over this draft, plus the
9 questions and then work on the draft with us and then go
10 back and run it by them again.

11 MEMBER PEARMAN: And my last question, I guess the point of the
12 senator's questions are to find out exactly how many cars
13 are being directed. Does the two percent random also morph
14 up, so to speak, or just the 34 percent. They usually - we
15 say here, 36 percent morphs up, but I don't know if that's
16 actually clear or not.

17 MR. CARLISLE: The two percent is inclusive. In other words,
18 there's 34 percent off the high emitter profile and two
19 percent at random, so yes, technically speaking, they both
20 increase.

21 MEMBER PEARMAN: They both increase.

22 MR. CARLISLE: Yes.

23 MEMBER PEARMAN: Okay.

24 CHAIR WEISSER: And you can blame me for the word morph, not
25 Rocky. Dennis?

1 MEMBER DECOTA: Go back to Page 3, where is said the SIP
2 obligates the State to comply with the agreement with U.S.
3 EPA over State law. We should basically have something in
4 there that is a legal opinion of - the SIP in itself can't
5 take precedence over State law.

6 CHAIR WEISSER: I don't believe that this paper says the SIP
7 obligates the State to do something over State law. The
8 paper, let me read it, Dennis. It says, although the 36
9 percent is not codified in State law, the SIP obligates the
10 State to comply with the agreement with U.S. EPA. The SIP
11 is an obligation. It's not just a piece of paper.

12 MR. CARLISLE: It's also enforceable in the Federal court.

13 CHAIR WEISSER: It's enforceable in the Federal court and
14 enforceable by third-party lawsuit, not merely the parties
15 to the agreement, the State and the Feds, but third parties.

16 MEMBER DECOTA: Would each state in the Union have a SIP-type
17 document with the Feds?

18 CHAIR WEISSER: Yes.

19 MEMBER DECOTA: So how come Florida has no Smog Check program?

20 CHAIR WEISSER: Because they might not need a Smog Check program
21 in order to demonstrate attainment with Federal air quality
22 standards. You can go about creating your attainment
23 program that's included in the SIP in a whole variety of
24 ways. In California, because of our situation, both
25 geography, meteorology, population -

1 MEMBER DECOTA: You said this was an open discussion, so I need
2 to learn.

3 CHAIR WEISSER: You betcha. Well, we're all learning. I've
4 learned a lot today. Every state has the right to try to
5 devise it's own pathway to the Federal Clean Act Standards.
6 California basically was confronted with, you've got to do
7 almost everything.

8 MEMBER DECOTA: And since the double D factor comes into play,
9 would it come into play on the M-Fact modeling that was used
10 to project the 36 percent number?

11 MR. CARLISLE: That I can't answer. I don't know.

12 MEMBER DECOTA: Okay.

13 CHAIR WEISSER: The M-Fact modeling has been - boy, I wish there
14 were some ARB folks here today, a matter of contention and
15 continuous improvement for at least the 15 years that I've
16 been involved in air quality, or 17 years that I've been
17 involved in air quality issues, it's a model. And if you
18 were to look at the M-Fact projections for mobile-source
19 emissions in the early 90s, they were about a third of what
20 they are today, because the model underestimated the
21 proportion of emissions coming from mobile sources. It's
22 closer now, some still believe that it's underestimating
23 mobile source emissions, but not quite as much as it was.

24 MR. CARLISLE: I should comment, too, that I've made mention of
25 the Cal M-Fact model in this document because that was the

1 model used to create the SIP. However, the new model is M-
2 Fact. Cal M-Fact is a California I/M factor and the new M-
3 Fact is emissions factor.

4 CHAIR WEISSER: Right, but this is, I think -

5 MR. CARLISLE: But I just want to clarify that.

6 CHAIR WEISSER: M-Fact six. I think there - or G, I'm not sure
7 if they're using letters or numbers these years. They are
8 constantly changing. Bob, could you go back to your
9 original question. I'm not sure if we - didn't you ask the
10 question of how did you get that 36 percent? Or, I'm
11 confused. Was it you, Dennis?

12 MEMBER DECOTA: Yes.

13 CHAIR WEISSER: Yes, I'm sorry.

14 MEMBER DECOTA: Well, I was just basically asking how they
15 derived, what was their formulas for deriving -

16 CHAIR WEISSER: And I'm really - I can't tell you, the sense I
17 got is they had to work backwards from the short fall in the
18 tons that they needed to emission reductions.

19 MALE: One hundred minus 64.

20 MR. CARLISLE: Dennis, this was based on a radian report -

21 MEMBER DECOTA: Can't accept that one. Pardon me?

22 MR. CARLISLE: This was based on a radian report done in March
23 of 95 and it was entitled -

24 MEMBER DECOTA: How many test-only stations, Rocky, did we have
25 in 95?

1 MR. CARLISLE: That's why it's modeled and not empirical data.

2 That's my point. That's why I made that comment in the
3 document.

4 MEMBER DECOTA: I think you've done a very good job. I do agree
5 with Gideon's recommendations. It would be much easier for
6 the reader, but you've done a lot of good work here and Jude
7 and whoever's worked with you on this.

8 CHAIR WEISSER: One of the important tasks that Rocky had to do
9 was to take Assemblywoman Horton's letter and try to extract
10 from it to what are the real questions. And that in and of
11 itself was not easy. And, in fact, he had to have several
12 meetings with her staff to try to clarify the questions, and
13 correct me if I'm wrong, Rocky, these questions, you've
14 actually run by the staff of the Assemblywoman to make sure
15 that we are answering what she us to as best we can.

16 MR. CARLISLE: Yes. I've clarified and I've reiterated the last
17 question with regard to the two percent because Jude thought
18 maybe there was some other issue there. But, when I talked
19 to her about a week ago, that was Stephanie Kimball in
20 Assemblywoman Horton's office, she indicated, yes, that's
21 exactly what she was talking about.

22 CHAIR WEISSER: Too many microphones, Jeffrey.

23 MEMBER WILLIAMS: Yes.

24 CHAIR WEISSER: Jeffrey?

25 MEMBER WILLIAMS: And I didn't use them when I needed them,

1 right? But I'm puzzled about eliminated the two percent
2 from the 36. If it's 36 and you eliminate two, then the
3 other part has to go back up to 36 from 34.

4 MR. CARLISLE: Run that by me again.

5 CHAIR WEISSER: I don't follow you either.

6 MEMBER WILLIAMS: If we have to get to 36, then -

7 CHAIR WEISSER: You have to get to 36 and you have to have a two
8 percent random sample.

9 MEMBER WILLIAMS: Sample - okay.

10 CHAIR WEISSER: But you can take that two percent random sample
11 as part of the 36, which is how they're doing it.

12 MR. CARLISLE: That was a policy decision, yes, to make in
13 inclusive.

14 MEMBER WILLIAMS: If you're looking at the two cents, then the
15 HEP has to go to 36.

16 MR. CARLISLE: No, the HEP is only 34.

17 MEMBER WILLIAMS: No -

18 CHAIR WEISSER: No.

19 MEMBER WILLIAMS: - because you've got to get to 36.

20 CHAIR WEISSER: I believe Jeffrey is correct.

21 MR. CARLISLE: You're saying based on the HEP - on the SIP?

22 MEMBER WILLIAMS: On the SIP.

23 MR. CARLISLE: Oh, okay, yes.

24 CHAIR WEISSER: Yes.

25 MR. CARLISLE: But that's not how it was applied.

1 CHAIR WEISSER: Recognize - could we all just kind of step back
2 for a second. In air quality - in the world of air quality,
3 you're dealing with two parallel universes; you're dealing
4 with a planning process that seeks to show how over a period
5 of years certain steps are going to get you to a certain
6 level of emissions. You're planning on how to achieve
7 attainment, and it's all theoretical. It's based upon
8 models, which are developed by brilliant people, by air
9 quality regulators estimating how many tons they're going to
10 be able to get by changing the composition of your chewing
11 gum so it's not emitting both volatile or organic compounds.
12 They go through hundreds of measures. I'm of course making
13 up the chewing gum, folks, please, I don't want to read that
14 in the L.A. Times. So you have this planning document which
15 is, Rocky, as we've described here, is really a series of
16 documents overlaid on top of one another, and then you have
17 a demonstration of attainment. Have you really achieved air
18 quality and how do you do that? By air quality monitoring
19 stations at strategic locations throughout the State of
20 California. If those air quality monitoring stations, which
21 actually measure air quality, don't show exceedances, you've
22 achieved air quality. If they have a certain number of
23 exceedances, you haven't. And then you've got to go back
24 and re-jigger your SIP, your State Implementation Plan, to
25 come up with other emission reductions. Now, the planning

1 for what you're going to do with future air quality emission
2 reduction programs, and then the reality of how the air
3 actual is, occasionally they intersect and they reflect, but
4 we're all human beings and we're not as precise or perfect
5 as we'd like to be, so more often than not, there are
6 differences. You'll get more air quality out of a certain
7 measure or improvement than you would have thought of, or
8 sometimes you'll get less. We had a case here, we got less.
9 For a variety of reasons. They tried to strengthen it to
10 increase the amount of emission reductions by what was the
11 traditional common accepted principle at the time, which is
12 that you got greater emission reductions at test-only
13 stations than you did at test-and-repair stations. That's
14 what they did. That's the two percent, the 34 percent, the
15 15 percent, the 36 percent, all that is based upon the
16 notion that you get more emission reductions at a test-only.
17 That's a question that I think from an analytical
18 standpoint, up in the air. And we've heard from Jeffrey
19 today and others through the time that we've spent together,
20 that still in my mind is an open question. It wasn't an
21 open question in 1980. In 1990, U.S. EPA firmly believed
22 that test-only was the only way to go and wanted to imposed
23 test-only across the nation as the only way to do Smog
24 Check, because they had experience, anecdotal information
25 and data that showed the test-and-repair stations couldn't

1 compete with test-only in getting real verifiable emission
2 reductions. That's been questioned. That's not accepted as
3 today's knowledge, yet it's still part and parcel of the
4 organic foundation of our program. That's the issue we're
5 dealing with. The second part of the issue we're dealing
6 with, is the statute's not quite as clear as it could be and
7 we don't what subject to testing - vehicles subject to
8 testing means. That has a very, very real and distinct
9 impact upon our stakeholders in test-and-repair and test-
10 only. That's clearly one of the issues that's going to be
11 needed to be resolved. This Committee can't resolve that
12 question. We can offer our opinion, but so can the woman in
13 the cafeteria. It's the Attorney General, the Office of the
14 Legislative Council, and ultimately the courts that resolve
15 that question. Anyhow, sorry. I've stepped back, now we
16 can step forward. Any further comments? Roger?

17 MEMBER NICKEY: We keep saying emission reductions. We're not
18 really measuring emission reductions. We're measuring
19 failure rate. I don't see how the two -

20 CHAIR WEISSER: They translate the failure rate into emission
21 reductions through this modeling process, Roger. They're
22 able to say here's how a car should be operating. When a
23 car fails and it's operating at this level of emissions,
24 after it's repaired, we will give you credit for this much
25 emission reduction, and that's how they translate it. They

1 multiply that then by two million vehicles and that's how
2 they come up with the amount of credit for the Smog Check
3 program.

4 MEMBER NICKY: So, we're really not talking about emissions
5 reductions, we're talking about a projection based on
6 statistics -

7 CHAIR WEISSER: That's correct.

8 MEMBER NICKY: So my broken vacuum hose is measured the same as
9 a gross polluter tailpipe failure.

10 CHAIR WEISSER: Not necessarily.

11 MEMBER NICKY: It's still a failure. They don't take it by
12 reason of failure, they just take failure.

13 CHAIR WEISSER: That's correct.

14 MEMBER NICKY: So, my broken vacuum line may contribute
15 nothing, whereas my gross polluter tailpipe failure may
16 contribute a lot, but they're measured the same.

17 CHAIR WEISSER: But, they have done tons and tons of data
18 collection to get the emission characteristics of cars
19 pretest and post-repair and it's based upon those thousands
20 of data points that they've collected that they estimate
21 what the average failure that's repaired will generate in
22 terms of emission reductions.

23 MEMBER NICKY: I would still rather see a comparison of the
24 failed test versus the after-repairs test. That's an actual
25 reduction.

1 CHAIR WEISSER: So would I, but I don't think it's possible.

2 MEMBER NICKEY: I don't think it's possible either, but that's
3 the only way you're really going to measure it outside of a
4 projection, which I'm not comfortable with.

5 CHAIR WEISSER: Okay, we'll go to comments to the audience and
6 any questions or thoughts that come up from Committee
7 Members while we're getting the public's comments, we'll
8 take them. I just want to say this to the public, we're
9 going to lose some members who have to leave to catch a
10 plane and that's okay, because we no longer need a quorum.
11 We're not going to be taking any action on this. What we're
12 taking is input. I will invite you to send Rocky and, if
13 you would, cc me, any further questions, comments,
14 suggestions that you have on getting this letter as right as
15 it can be. We're never going to get this letter perfect,
16 because the program isn't structured in a way to get it
17 perfect.

18 MEMBER KRACOV: Rocky, if you need any help, please let me know.

19 MR. CARLISLE: I'll send you an electronic copy.

20 MEMBER KRACOV: Okay, and Bob and I have to take a high-mileage
21 vehicle cab to the airport.

22 CHAIR WEISSER: A high emitting. You're not taking an EV or
23 something? Okay, see you guys. Okay, so let's get some
24 thoughts and suggestions from the public. Mr. Peters?

25 MR. PETERS: Mr. Chairman and Committee. Charlie Peters, Clean

1 Air Performance Professionals representing motorists. A lot
2 of very interesting information provide here for this
3 letter. I was pleased to hear that it finally said that the
4 primary source of this information on the amount of test-
5 only required, etcetera, came from the Texas consultant's
6 report to the State of California, which was incorporated in
7 the SIP as the agreement. Having said that, that particular
8 individual who's been mentioned here today, and possibly
9 brought here for further information as to where the HEP
10 came from and why, is the person who created the basis for
11 that and the report for that and he was asked at the Clean
12 Air Conference in Colorado at 8,000 feet what the percentage
13 of test-only would be required due to the 1995 Highway Act,
14 which eliminated requirements, the 50 percent discount from
15 the Federal EPA, and he said, none, absolutely no test-only
16 required whatsoever to have reached the standards required
17 by the State of California. That highway bill in 95 allowed
18 the states to change their SIP and to make corrections based
19 on elimination of the 50 percent discount, which came from
20 the 1992 letter by the California Cal EPA secretary and it's
21 Deputy Secretary of State and Consumer Services who wrote
22 when EPA was considering giving California two years to show
23 equivalency to the standards of Federal requiring and
24 demanded that the Fed not allow test-and-repair together
25 because we've tried that and it doesn't work, so it is not

1 the Feds that were requiring the test-only, it was the State
2 of California that was requiring it. The numbers that were
3 in the SIP generated from the Texas consultant's report,
4 which was based upon the 50 percent discount, which very
5 shortly thereafter was eliminated and the State of
6 California can change their SIP based upon the current
7 regulations and laws of the Fed and the requirements by EPA
8 and can change those to whatever we wish and show our
9 program is performing where ever we wish and EPA has to
10 disprove that in order for that to be valid.

11 CHAIR WEISSER: Thank you, Mr. Peters. Most of what you said
12 conforms with what I understand the situation to be. The
13 last part of what you said, however, I don't believe is
14 correct. I may be mistaken, but I believe the State of
15 California develops a SIP, submits it to the Federal
16 Government, the EPA, the EPA reviews that SIP and then puts
17 forward a proposal to approve and accept the SIP in the
18 Federal Register. So, it's not that the EPA has to disprove
19 the State SIP, it can reject the State SIP as not meeting
20 its requirements without disproving it. Usually, it doesn't
21 work that way. My experience is they usually have public
22 discussions and private discussions as to areas of agreement
23 and disagreement and try to work out an approach that both
24 feel will accomplish the requirements of the Federal Clean
25 Air Act.

1 MR. PETERS: I'm sorry you misunderstood my comment. My comment
2 wasn't the approval of the SIP, my comment was the
3 reductions and emissions provided by the program that the
4 State is allowed to make those decisions and the Fed has to
5 disprove that, is what that 1995 highway bill required.

6 CHAIR WEISSER: Okay, I understand what you're saying and you
7 are correct that I do not believe there is any Federal
8 requirement regarding either the 50 percent discount or the
9 nature of the sort of program, test-only, test-and-repair,
10 Gold Shield, Green Shield, or whatever you want to do. The
11 State has to come forward, however, with the demonstration
12 that whatever program it comes up with will generate the
13 tons it's taking as credit in the SIP. Thank you. Are
14 there other comments from the audience? Well, I think we
15 made some progress on this, but I think you need to call the
16 author's office, the author of the letter to us,
17 Assemblywoman Horton, and indicate to her the nature of the
18 conversation, the fact we are going to have to work the
19 letter further and you should indicate with her if she would
20 like an interim report, that we would be glad to meet with
21 her and chat with her about what we've been able to find to
22 date and I put myself up for that kind of meeting if she or
23 her staff wants it. I don't like the fact that we're taking
24 so long to reply, particularly after the bad time I've given
25 some folks in this room for lengthy times to reply. Chris?

1 MR. WALKER: Mr. Chair. Chris Walker on behalf of the
2 Automotive Repair Coalition. With respect to your last
3 comment, how long do you (tape ends) answer to those
4 questions?

5 CHAIR WEISSER: Why, do you think it might have some bearing on
6 any current legislation, Chris?

7 MR. WALKER: Well, there is a legislative cycle and I know that
8 the legislator is carrying a bill that is of interest to my
9 client. This information is pertinent and relevant to that
10 bill.

11 CHAIR WEISSER: We will move forward with all due deliberate
12 speed. I can't answer the question, Chris. I'm telling you
13 that we've worked really hard -

14 MR. WALKER: I understand that.

15 CHAIR WEISSER: - and it's been a somewhat frustrating process
16 in terms of getting information that we've requested from
17 people. We will move as quickly as we can and I would hope
18 - that's all I can say. I wanted to get the darn thing out
19 a month ago.

20 MR. WALKER: I appreciate that. And with respect to having the
21 BAR and Air Resources Board review it as well, I think
22 that's very important. I think it's incredibly important
23 that they weigh in and provide missing pieces of information
24 if they can. I'm also concerned about additional prolonged
25 further delay caused by those agencies. So, again, I just

1 would love to be able to -

2 CHAIR WEISSER: Wouldn't we all. One of the things that I'm
3 suggesting, and I'll convey this to and you can convey it to
4 the author since she - you are the sponsor of her bill, I
5 think we are in position now that we could sit down and talk
6 our way through much of the issues and questions that she's
7 answered. I'm concerned that we get every word correctly in
8 a written document because we can see how written documents
9 in the past kind of get a life of their own and that a
10 missing comma or semicolon can have great impact in the
11 future, so I don't want to screw up on this one.

12 MR. WALKER: I understand.

13 CHAIR WEISSER: So, if you and Randy and others would like to
14 join us in a meeting, I'm there. But she would like to meet
15 with us alone, I'm there, too.

16 MR. WALKER: All right.

17 - o0o -

18 CHAIR WEISSER: Gosh this is fun. Well, that really concludes,
19 I think, the formal business that we had today to bring up
20 and I will now open the meeting up for any general public
21 comments of import. Mr. Peters?

22 MR. PETERS: Mr. Chairman, Charlie Peters, Clean Air Performance
23 Professionals, represents a coalition of motorists. I
24 happened to pick up your March 14, 2006, signed letter to
25 Honorable Sally Lieber and something in there confused me.

1 I have some things that I have shared here that I have as
2 possible enhancements to that legislation, but I have
3 something that I have not heard discussed and I have no idea
4 what it means. It says to ensure that the CAP funds remain
5 available for low-income consumers, the Committee also
6 suggests the bill eliminate the automatic CAP qualifications
7 for vehicles directed to test-only stations. Can you give
8 me any idea what that means?

9 CHAIR WEISSER: It's the Committee's understanding that directed
10 vehicles to test-only stations are eligible for CAP
11 assistance regardless of the economic condition of the owner
12 of that vehicle. In other words, if you're a very wealthy
13 person and you are directed to take your car to a test-only
14 station, you are eligible for CAP assistance. Is that
15 correct?

16 MR. CARLISLE: Yes.

17 CHAIR WEISSER: Thank you.

18 MR. PETERS: Did I understand you to say that the Committee has
19 an opinion that that should only the people in a certain
20 financial condition?

21 CHAIR WEISSER: Yes, that's correct.

22 MR. PETERS: So, that's a significant change in the position of
23 the State law in regards to assistance.

24 CHAIR WEISSER: That's correct. But the Committee has discussed
25 that it felt that the subsidy should be made available to

1 people who most need it and that's lower income people.

2 Thank you.

3 MR. PETERS: Thank you very much.

4 CHAIR WEISSER: Thank you, Mr. Peters. Are there any other
5 questions, comments, suggestions, ideas, volunteers from
6 anyone in the audience? Anything anyone else on the
7 Committee has to say? I'll take a motion to adjourn.

8 MEMBER DECOTA: So moved.

9 CHAIR WEISSER: Seconded by Bruce. All in favor of adjourning,
10 signify by saying aye.

11 ALL MEMBERS: Aye.

12 CHAIR WEISSER: Any opposed? Hearing none, we are adjourned.
13 Thank you, ladies and gentlemen.

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TRANSCRIBER'S CERTIFICATION

This is to certify that I, TERRI O'BRIEN, transcribed the tape-recorded public hearing of the Bureau of Automotive Repair dated March 28, 2006; that the pages numbered 1 through 173 constitute said transcript; that the same is a complete and accurate transcription of the aforesaid to the best of my ability.

Dated April 5, 2006.

Terri O'Brien, Transcriber
Foothill Transcription